Conservation Districts of Manitoba

Districts de conservation du Manitoba

Annual Report 2004-2005

Rapport annuel 2004-2005

Manitoba

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MINISTER OF WATER STEWARDSHIP

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

August 27, 2005

His Honour The Honourable John Harvard, P.C., O.M.
Lieutenant-Governor of Manitoba
Room 235
Legislative Building
Winnipeg MB R3C 0V8

Your Honour:

It is my pleasure to present to you this document: The Annual Report of the Conservation Districts of Manitoba for the fiscal year ending March 31, 2005, along with the audited financial statements of the Districts for the same period.

Yours Sincerely,

Steve Ashton
Minister of Water Stewardship

CONSERVATION DISTRICTS COMMISSION
Room 314, Legislative Building, 450 Broadway Avenue, Winnipeg, MB. R3C 0V8

August 27, 2005

The Honourable Steve Ashton
Minister of Water Stewardship
Room 314, Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I am pleased to present you with the Annual Report of the Conservation Districts for the fiscal year ending March 31, 2005.

With a continual focus to the concept of sustainability in Manitoba, this document effectively outlines the programs which have been embraced by the Province's Conservation Districts in support of protecting, preserving, and promoting our environmental and economic resources.

Yours Sincerely,

Gerry Berezuk

Gerry Berezuk
Chairman

Table of Contents

Table des matières

Title **Page**
Titre *Page*

Conservation Districts Program 7

Programme des districts de conservation 8

Alonsa Conservation District 14

Cooks Creek Conservation District 18

Intermountain Conservation District 22

Kelsey Conservation District 25

Lake of the Prairies Conservation District 29

La Salle Redboine Conservation District 33

Little Saskatchewan River Conservation District 36

Mid Assiniboine River Conservation District 41

Pembina Valley Conservation District 44

Seine-Rat River Conservation District 48

Tiger Hills Conservation District 51

Turtle Mountain Conservation District 54

Turtle River Watershed Conservation District 59

Upper Assiniboine River Conservation District 62

West Souris River Conservation District 66

Whitemud Watershed Conservation District 71

Appendices

Audited Financial Statements

Appendix A - Alonsa Conservation District
Appendix B - Cooks Creek Conservation District
Appendix C - Intermountain Conservation District
Appendix D - Kelsey Conservation District
Appendix E - Lake of the Prairies Conservation District
Appendix F - La Salle Redboine Conservation District
Appendix G - Little Saskatchewan River Conservation District
Appendix H - Mid Assiniboine River Conservation District
Appendix I - Pembina Valley Conservation District
Appendix J - Seine-Rat River Conservation District
Appendix K - Tiger Hills Conservation District
Appendix L - Turtle Mountain Conservation District
Appendix M - Turtle River Conservation District
Appendix N - Upper Assiniboine River Conservation District
Appendix O - West Souris River Conservation District
Appendix P - Whitemud Watershed Conservation District

Conservation Districts Program

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Conservation Districts Program

Foreword

The Conservation Districts Program operates under the authority of *The Conservation Districts Act*. The objectives of the Act are to provide for the conservation, control and prudent use of resources through the establishment of Conservation Districts and to protect the correlative rights of owners.

The Act provides for the creation of Conservation Districts (CDs) and requires the establishment of a Commission to oversee the activities of the Conservation Districts' Boards. The Commission, in turn, reports to the Minister of Water Stewardship. The legislation also requires the preparation of an Annual Report, which will include: updates on the progress being made by each District in the implementation of their management plans; general remarks in respect to activities related to the establishment of new Districts; and the Auditor's Report for each District.

The Province provides annual funding to assist local Conservation Districts' Boards. The provincial grants cover up to 75% of the cost of District programs. In addition, the Districts receive funding through municipal grants and levies and from local landowners. Other sources of funds come from agencies such as Ducks Unlimited Canada (DUC) and Prairie Farm Rehabilitation Administration (PFRA), as well as grants from many other governmental and non governmental agencies. Provincial funding (grants) for the CDs is provided by the Manitoba Water Stewardship. Other Provincial Departments, such as Conservation, Agriculture and Food, Heritage and Tourism also provide grants for specific projects.

Each Conservation District is required to prepare an integrated resource management plan. Through this process, each District is able to establish a long-term vision, set goals and produce a 5-year program and operating budget.

Programme des districts de conservation

Avant-propos

Le Programme des districts de conservation est régi par la *Loi sur les districts de conservation*. La *Loi* a pour objet de prévoir la conservation, le contrôle et l'emploi judicieux des ressources par l'établissement de districts de conservation et de protéger les droits des propriétaires en ces matières.

La *Loi* prévoit la création de districts de conservation et exige la mise sur pied d'une Commission chargée de superviser les activités des conseils des districts de conservation. Cette Commission doit à son tour rendre compte au ministre de la Gestion des ressources hydriques. La *Loi* prévoit également la préparation d'un rapport annuel comprenant les éléments suivants : mises à jour concernant la mise en œuvre des plans de gestion dans chaque district; remarques générales sur les activités liées à la mise sur pied de nouveaux districts; rapport d'un vérificateur pour chaque district.

Pour aider les conseils des districts de conservation, le gouvernement provincial accorde chaque année des subventions pouvant atteindre 75 % du coût des programmes des districts. Les districts sont également financés par des subventions municipales et des redevances payées par les propriétaires fonciers de leur région. Les autres sources de financement comprennent les contributions d'organismes tels que Canards illimités Canada et l'Administration du rétablissement agricole des prairies (ARAP), ainsi que des subventions accordées par de nombreux autres organismes publics et privés. Le financement provincial (les subventions) accordé aux districts de conservation est versé par Gestion des ressources hydriques Manitoba. D'autres ministères provinciaux, comme les ministères de la Conservation, de l'Agriculture, de l'Alimentation et des Initiatives rurales, et de la Culture, du Patrimoine et du Tourisme peuvent aussi verser des subventions pour des projets spéciaux

Chaque district de conservation est tenu de préparer un plan de gestion des ressources. Cela lui permet d'établir une vision à long terme, de se fixer des objectifs et d'élaborer un programme et un budget de fonctionnement sur cinq ans.

Program Expansions

The program consists of 16 CDs, which includes over 120 municipalities.

During 2004-2005, the following CDs expanded their membership:

- Little Saskatchewan River into the Rural Municipalities of Park South, Strathclair, and Rosedale and into the Town of Erickson
- Seine-Rat River into the Rural Municipality of Hanover and the City of Steinbach
- Lake of the Prairies CD into the Rural Municipalities of Shell River and Park North and into the Town of Shell River

Expansion du Programme

Le programme compte 16 districts de conservation qui couvrent plus de 120 municipalités.

Pendant l'exercice 2004-2005, les districts suivants se sont élargis :

- le district de la rivière Little Saskatchewan englobe à présent les municipalités rurales de Park South, Strathclair et Rosedale et la ville d'Erickson.
- le district des rivières Seine et aux Rats englobe à présent la municipalité rurale d'Hanover et la ville de Steinbach.
- le district du lac des Prairies englobe à présent les municipalités rurales de Shell River et Park North et la ville de Shell River.

Areas of Interest

During the year, ten councils formally expressed interest in joining a CD including:

- Rural Municipalities of Springfield, De Salaberry, Reynolds, Richot, Tache, Franklin, Stuartburn (Seine-Rat River CD);
- City of Brandon (Mid Assiniboine River CD);
- Town of Ste. Anne (Seine-Rat River CD); and
- Village of St. Pierre-Jolys (Seine-Rat River CD).

Five draft proposals were completed in 2004-2005 to establish new CD's including:

- East Interlake (RMs of Bifrost, Armstrong, Fisher, Rockwood, Rosser, and West St. Paul, Towns of Gimli, Stonewall, Teulon, Winnipeg Beach, and Arborg, and Villages of Riverton and Dunnottar)
- West Interlake (RMs of Grahamdale, Eriksdale, Siglunes, Coldwell, St. Laurent, Armstrong, Rockwood, and Fisher)
- Lower Assiniboine River (Sturgeon Creek) (RMs of Rosser, St. Francois Xavier, and Headingly)
- Roseau River (RMs of Franklin, Stuartburn, Piney, Roseau Reserve, Montcalm, and Morris)
- Southwest Red River (RMs of Morris, Rhineland, Montcalm, and Roland, and Towns of Altona, Emerson, Gretna, Morris, and Plum Coulee)

Centres d'intérêt

Au cours de l'année, dix conseils ont officiellement fait savoir qu'ils aimeraient se joindre à un district de conservation. Il s'agissait :

- des municipalités rurales de Springfield, De Salaberry, Reynolds, Richot, Taché, Franklin et Stuartburn (pour le district des rivières Seine et aux Rats);
- de la ville de Brandon (pour le district de la partie médiane de la rivière Assiniboine);
- de la ville de Sainte-Anne (pour le district des rivières Seine et aux Rats);
- du village de Saint-Pierre-Jolys (pour le district des rivières Seine et aux Rats).

Pendant l'exercice 2004-2005, cinq ébauches de projets d'établissement de nouveaux districts de conservation ont été réalisées, notamment pour :

- l'est de la région d'Entre-les-Lacs (municipalités rurales de Bifrost, Armstrong, Fisher, Rockwood, Rosser et West St. Paul, les villes de Gimli, Stonewall, Teulon, Winnipeg Beach et Arborg et les villages de Riverton et Dunnottar);
- l'ouest de la région d'Entre-les-Lacs (municipalités rurales de Grahamdale, Eriksdale, Siglunes, Coldwell, Saint-Laurent, Armstrong, Rockwood et Fisher);
- la partie inférieure de la rivière Assiniboine (Sturgeon Creek) (municipalités rurales de Rosser, Saint-François-Xavier et Headingly);
- la rivière Roseau (municipalités rurales de Franklin, Stuartburn, Piney, Montcalm et Morris et la réserve Roseau);
- la partie sud-ouest de la rivière Rouge (municipalités rurales de Morris, Rhineland, Montcalm et Roland et villes d'Altona, Emerson, Gretna, Morris et Plum Coulee).

Program Activities

In 2004-2005, the CD Program expended $7.0M toward land and water stewardship programming. The program involves over 500 District and Sub-District members, employing approximately 100 full time and part-time employees.

With three levels of funding (provincial, local, and external), the following is a summary of activities and/or accomplishments for the fiscal year 2004-2005:

Program	2004-05	2003-04	2002-03	Units
• Conservation Tillage	-	311.62	6.564	ha
• Crossings Repaired/Replaced	230	123	189	crossings
• Custom Seeding	21	-	28	km
• Drain Licenses	101	55	-	reviews
• Drains Maintained	1.557	2,086	1.865	km
• Education Programs	206	93	105	schools
• Equipment Rental	1.880	215.65	-	
• Fisheries Projects	22	28	20	projects
• Forage Seeded	10.518	10.673	19.381	ha
• Forage/Soil Testing	19	17	56	projects
• Geographic Information Services	410	407	6	projects
• Grassed Waterways	47	41	15	projects
• Gullies Repaired	12	16	8	projects
• Livestock Crossings/Stream Access	12	19	30	projects
• Manure Management	6	9	8	projects
• Erosion Control	12	1	-	projects
• Pasture Management Systems	35	17	-	projects
• Pasture Pipelines	47.546	111	29	km
• Planned Grazing	36	49	36	projects
• Recreation/Tourism	13	14	7	projects
• Resource Management Plans	9	7	-	projects
• Ring Dykes	2	3	-	projects
• Riparian/Exclusion Fencing	44	61	8	km
• Shelterbelts	121.01	146	-	km
• Streambank/Creek Stabilization	25	18	22	projects
• Sub-Division Applications	68	20	-	reviews
• Tours/Demonstrations/Extensions	129	108	93	projects
• Trees Planted	68.180	101.300	28.525	trees
• Water Pump Rental	24	15	-	projects
• Water Retention	58	44	85	projects
• Water Testing	575	102	-	projects
• Watering Systems	55	82	86	projects
• Watershed Plans	15	16	11	projects
• Wells Sealed	297	289	221	wells
• Wells New/Maintained	40	25	-	wells
• Wildlife/Habitat Projects	23	32	74	projects
• Winter Cereals	444.87	596.93	1.230	ha
• Woodlot Program	0	-	-	projects
• Swath Grazing	6	-	-	projects
• Rotational Winter Feeding	2	-	-	projects
• Salinity Seed/Barrier	60	-	-	projects

Activités du programme

En 2004-2005, le Programme des districts de conservation a consacré 7 millions de dollars aux programmes de gestion des eaux et d'aménagement des terres. Le Programme rassemble plus de 500 membres des districts et des sous-districts et emploie une centaine de personnes à temps plein et à temps partiel.

Voici un résumé des activités et réalisations accomplies au cours de l'exercice 2004-2005 grâce aux trois niveaux de financement (provincial, local et externe) :

Programme	**2004-2005**	**2003-2004**	**2002-2003**	**Unités**
• Travail de conservation du sol	-	311,62	6 564	ha
• Réparation et remplacement des traverses	230	123	189	traverses
• Semis à forfait	21	-	28	km
• Permis de drainage	101	55	-	évaluations
• Entretien des canaux de drainage	1 557	2 086	1 865	km
• Programmes éducatifs	206	93	105	écoles
• Location d'équipement	1 880	215,65	-	
• Projets piscicoles	22	28	20	projets
• Plantation de fourrages	10 518	10 673	19 381	ha
• Forages et études de sols	19	17	56	projets
• Services d'information géographique	410	407	6	projets
• Voies d'eau gazonnées	47	41	15	projets
• Restauration des ravines	12	16	8	projets
• Accès aux cours d'eau et voies de passage pour le bétail	12	19	30	projets
• Gestion du fumier	6	9	8	projets
• Lutte contre l'érosion	12	1	-	projets
• Systèmes de gestion des pâturages	35	17	-	projets
• Canalisations d'eau dans les pâturages	47,546	111	29	km
• Planification des pacages	36	49	36	projets
• Loisirs et tourisme	13	14	7	projets
• Plans de gestion des ressources	9	7	-	projets
• Digues circulaires	2	3	-	projets
• Clôturage des rives et des zones d'exclusion	44	61	8	km
• Brise-vents	121,01	146	-	km
• Réhabilitation et stabilisation des rives et des ruisseaux	25	18	22	projets
• Demandes en vue d'effectuer des subdivisions	68	20	-	évaluations
• Visites guidées, présentations et activités de vulgarisation	129	108	93	projets
• Plantation d'arbres	68 180	101 300	28 525	arbres
• Location de pompes à eau	24	15	-	projets
• Rétention des eaux	58	44	85	projets
• Analyses de l'eau	575	102	-	projets
• Systèmes d'arrosage	55	82	86	projets
• Plans d'aménagement de bassins versants	15	16	11	projets
• Fermeture des puits	297	289	221	puits
• Construction et entretien de puits	40	25	-	puits
• Projets relatifs à la faune et aux habitats naturels	23	32	74	projets
• Céréales d'hiver	444,87	596,93	1 230	ha
• Programme des terrains boisés	0	-	-	projets
• Pâturage sur andains	6	-	-	projets
• Alimentation des animaux en rotation pendant l'hiver	2	-	-	projets
• Lutte contre la salinité - Graines tolérant la salinité	60	-	-	projets

Conservation District Grants
Subventions aux districts de conservation

Up to 75% of the costs of Conservation Districts Programs are funded by Provincial grants. The grants are provided in support of local District Programs such as drainage maintenance and rehabilitation, soil conservation, water storage, wildlife habitat, public education, administration and a variety of other resource conservation programs.

Les subventions provinciales couvrent jusqu'à 75 % du coût des programmes des districts de conservation. Ces subventions sont versées pour aider les districts locaux à mettre en œuvre leurs programmes, notamment le drainage, l'entretien et la réhabilitation, la préservation du sol, l'emmagasinement des eaux, la protection de l'habitat faunique, l'éducation du public et l'administration, ainsi que toute une série de programmes de conservation des ressources.

CONSERVATION DISTRICT GRANTS 2004-2005
SUBVENTIONS AUX DISTRICTS DE CONSERVATION EN 2004-2005

DISTRICTS/DISTRICTS	PROVINCIAL GRANTS	SUBVENTIONS PROVINCIALES
Alonsa	$240,000	240 000 $
Cooks Creek / Ruisseau Cooks	$270,000	270 000 $
Intermountain	$210,000	210 000 $
Kelsey	$140,000	140 000 $
La Salle Redboine	$200,000	135 000 $
Lake of the Prairies / Lac des Prairies	$135,000	200 000 $
Little Saskatchewan River / Rivière Little Saskatchewan	$170,000	170 000 $
Mid Assiniboine River / Partie médiane de la rivière Assiniboine	$110,000	110 000 $
Pembina Valley / Vallée de la Pembina	$370,000	370 000 $
Seine-Rat River / Rivières Seine et aux Rats	$150,000	150 000 $
Tiger Hills	$110,000	110 000 $
Turtle Mountain	$300,000	300 000 $
Turtle River / Rivière Turtle	$400,000	400 000 $
Upper Assiniboine River / Partie supérieure de la rivière Assiniboine	$250,000	250 000 $
West Souris River / Ouest de la rivière Souris	$200,000	200 000 $
Whitemud	$700,000	700 000 $
District Expansion/unallocated / Expansion des districts et sommes non allouées	$20,000	20 000 $
TOTAL	***$3,975,000***	***3 975 000 $***

NOTE: Please refer to the Audited Financial Statements in the appendices for details on local/external funding and total expenditures.

NOTE : Veuillez consulter les états financiers vérifiés en annexe pour des détails sur le financement local et externe et sur les dépenses totales.

Alonsa Conservation District

Introduction

The Alonsa Conservation District, which lies along the western shores of Lake Manitoba, encompasses approximately 445,000 ha. The District has been involved in soil and water management programs since its inception in 1978.

The landscape is a series of gentle undulations of ridges and sloughs and includes the major watershed of Garrioch Creek, Sucker Creek, Hamlin Drain, and Reedy Creek in addition to several others which drain into Lake Manitoba, Ebb and Flow Lake, and Lonely Lake.

District programs include water and soil management as well as fisheries, wildlife, forestry, historical, educational, and recreational projects.

ALONSA CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#107 – Crane River/Hamlin Drain	Fred Taylor	Rorketon
#110 – Garrioch Creek	Danny North	Alonsa
#113 – Lonely Lake/Ebb & Flow	Eldon Campbell	Kinosota
#157 – Weiden Drain	Steve Sliworsky	Rorketon
#160 – Kinosota Ridge	Clifford Elke	Amaranth
Provincial Appointee and Chairperson	Edward Zdan	Alonsa

Summary

The District's programs include channel maintenance, crossing repair and replacement, pickerel spawning, forage seed forestry and wildlife, tree planting, educational extension, maintenance of existing trails, Aboriginal historic sites, park projects, as well as educational activities. These programs reflect the Board's commitment to carry out its mandate of conserving, sustaining, and preserving the diverse resources, which make this area unique, while keeping the local economy strong.

Funding support for the ACD is supplied by its main partner, Manitoba Water Stewardship. Additional support is obtained from member municipalities, a host of provincial and external partners and local producers, all with a common interest in sustaining the local environment.

TOTAL EXPENDITURE 2004-2005

Activity		Expenditure
Watershed Planning		$11,701
Crossing Repair		$24,809
Well Capping Program		$6,161
Soil Conservation		$100,425
Water Management		$88,981
Forestry		$1,346
Wildlife		$5,850
Fisheries		$58,611
Public Relations & Education		$85,289
Administration		$25,733
Depreciation		$3,271
Robertson Museum		$4,289
Infrastructure Reserve Fund		$13,334
	TOTAL	$429,800

For further detail see Auditor's Report, Appendix A.

Water Management

The Water Management Program focused on the upkeep and repair of existing drains, beaver damage control, and well capping.

Activities include:

- Geographical Information System (GIS) Drains information documentation
  - New information and updates
  - Mapping supplies
- Drain Maintenance
  - Cleanout - 19 km
  - South Leifur Drain Project – Berm Upgrade at Y
  - Flood Alleviation & Protection – 5 sites
  - Duggan Drain Project
  - Vegetation Control Projects - 20 km
  - Beaver Dam/Debris Removal – 16 sites
  - Equipment repair
- Tours and meetings re: Program, projects, planning and development
- Water Management Plan
- Sealing and capping of wells – 6 projects

Crossing Repair and Replacement

The regular repair and replacement of a number of aging crossings accounted for the expenditures under this program. Eighteen pipe crossings were replaced at various locations throughout the District. Costs were incurred for the following:

- Crossing Repair
  - Kjartanson Drain - 3 sites
  - Duggan Drain - 2 sites
  - T. Bodnar Crossing – 1 site
  - North Leifur Drain – 2 sites
  - 10 minor projects
- Projects Development and Planning
- GIS Inventory of Crossings completion
- Infrastructure Reserve Fund $13,333

Soils/Forestry

The District continues to support and promote sustainable agricultural practices and forestry efforts by carrying out improvements to two projects previously sponsored by Manitoba Hydro; planting trees, and maintaining the established planting sites. Activities included:

- Preston Park near Rorketon;
- Tree Planting Project at Rorketon Golf Course;
- Maintenance of established tree planting sites;
- PFRA Leafy Spurge Project;
- Forage Incentive Project (80 producers) (3,670 acres of land);
- Riparian Projects – 10 km;
- Seeding Berms & Water Management Projects;
- Woodlot Association and Manitoba Algologist Association Memberships; and
- Land Management Planning Project GIS Projects - 31 Producers

Wildlife/Fisheries

The District continued its role in the Fish Hatchery and Spawning Project, the second largest such project in the Province. Spin-off projects are now being carried out, some of which will continue over several years.

- Pickerel Spawning Project - 12 million fry distributed in Lake Manitoba - partially funded by grants provided by the Manitoba Métis Federation ($7,776) and the Lake Manitoba Fishermen's Association ($2,000.)
- Bird Feeders Incentive Program
- Initial stages of Fisheries Habitat Inventories Project
- Upgrading Pickerel Spawning Hatchery Equipment with Fisheries Enchancement funding.
- Co-operative employment project with Manitoba Métis Federation ($7,760) for Fish Spawn Project

Public Education

Considerable effort is expended to promote the District's conservation attractions through various channels. Tours of Portia Marsh Interpretive Center are conducted regularly and many casual visitors come to this site. Other well-visited sites include Bacon Ridge Complex, Bluff Creek Nature Trail, Lady Slipper Viewing Site, Jackpine Ridge Wayside Park, Preston Park, Spirit Bay Park. Of special interest to aboriginal groups is the Thunderbird Nest Site, Tobacco Rock Site, and the site of the Aboriginal petroform called the Medicine Wheel, which lies within the Alonsa PFRA Pasture. Signage at all these sites makes them self-guiding and educational. Activities included:

- Green Team Student Employment Program
- Signage

- Subscriptions & Memberships
- Trails Maintenance & Equipment Repair
- On-Site Employment Program
- Tri-District Golf Tournament
- Farm Family Award Sponsorship, Youth Speaker Sponsorship, Graduation Awards
- Ducks Unlimited "Eco-van" Sponsorship

Heritage

The District continued to support the efforts of the Alex Robertson Museum. A total of $4288.54 was expended this year for upgrades to the Museum. This expenditure was covered by funds raised locally or through external grants.

Administration

The District administration costs, consisting of staff salaries and expenses, and Board remuneration have remained fairly constant for the past several years. Vehicle expenses and office expenditures reflect the increased cost of the expanded District.

Recreation

While no monies are directly expended in this category, the maintenance of existing trails, and projects such as Bluff Creek Nature Trail and Bluff Creek Church, Jackpine Ridge Wayside Park, Portia Interpretive Centre, Bacon Ridge Complex, Amaranth Marsh Project, Preston Wayside Park, Spirit Bay Park, McKay Park, the Lady Slipper Viewing Site, Ceremonial Site, and the Thunderbird Nest are all multi-disciplinary and support recreation.

External Funding

External funding partners make it possible for the Alonsa Conservation District to carry out a variety of innovative programs and projects. We are appreciative of their generosity, and look forward to partnering with them again, and also to forming new partnerships.

A summary is as follows:

• Lake Manitoba Fishermen's Association	$2,000
• Manitoba Métis Federation	$7, 776
• Alex Robertson Museum	$4,289
• Manitoba Green Team Program	$8,346
• Fisheries Enhancement Initiative	$11,000
• Cattle Producers	$41,912
• Fisheries Enhancement Fund	$12,231
• Career Placement Program	$932
• Westlake Wildlife Association	$250
• Environment Canada	$13,300
• University of Regina	$1,046
• Birdwatchers Fund	$2,326
• PFRA	$350
Total	$105,757.36

Cooks Creek Conservation District

Introduction

The Cooks Creek Conservation District was established in 1979 and is located a short distance east of Winnipeg. The District includes most of the Cooks Creek watershed, which discharges into the Red River, and parts of the Carrs Creek and Lower Seine River basins both of which flow into the Red River Floodway. Topography, soils, and vegetation of the watershed are distinguished by an eastern upland area and a central lowland area.

The District's proximity to Winnipeg has led to an influx of commuter residents in the rural areas as well as in the communities of Anola, Cooks Creek, Dugald, Oakbank, Ste. Genevieve, and Richer. The 86,200 hectare Conservation District includes most of the Rural Municipality of Springfield and portions of the Municipalities of Taché, Ste. Anne, Brokenhead, and Reynolds.

COOKS CREEK CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#9 – Lower Seine River	Ron Dubinsky	Dugald
#11N – Lower Cooks Creek	Glenn Keilback	Beausejour
#11S – Upper Cooks Creek	Harry Harder	Richer
# 12 – Carrs Creek	Bob Bodnaruk	RR#5 Winnipeg
Board Chairperson	George Sokal	RR#5 Winnipeg

Summary

The spring and summer of 2004 was wet and fall was extremely wet with our producers having a difficult time harvesting their crops. This reinforced the importance of the maintenance and upgrading of the District's drainage waterways. As a result, the District program includes: drain reconstruction; earth cleanouts; culvert crossings; drain mowing, spraying and brushing.

The District is also involved in well sealing; drainage licensing; water retention; sub-division applications, public education and school programs.

The District undertook participation in the proposed floodway expansion and received some funding under the participant funding program for the Clean Environment Commission hearing.

TOTAL EXPENDITURES 2004-2005

Activity	Expenditure
Water Management	$361,644
Soil Management	$4,475
Well Sealing/Oth	$9,993
Crossings	$67,069
Public Education	$49,742
Wildlife & Fisheries Management	$30,186
Forestry Management	$1,599
Drainage Licensing	$4,378
Administration	$63,951
Assets	$16,607
TOTAL	$619,641

For further details, please refer to the Auditor's Report in Appendix B.

Water Management

Frequent and excessive summer and fall rains caused wet conditions that made construction difficult and contributed to the significant losses of agricultural crops. This reinforced the importance of on-going maintenance and upgrading of the District's drainage waterways.

District activities included:

- The reconstruction of 1.6 km of drain.
- Earth cleanouts were done along 10 km of drain.
- Spraying and mowing for cattails and brush was done on 195 km, track mowing and brushing was done along 25 km, for a total of 220 km.
- The program also included beaver population control and removal of beaver dams.
- Miscellaneous earthworks.
- The District held meetings with the Rural Municipalities of Ste. Anne, Reynolds, Brokenhead Taché, LaBroquerie and the Seine-Rat River Conservation District regarding the Salmon Lake Marsh East of Richer.
- One summer student was hired under the Career Start Program.
- The Oakbank CPR Drain land purchases have been completed including some expropriation, construction will start June 2005.

Soil Management

- The District redesigned and constructed a Grassed Runway .

Water Quality

- Abandoned wells were sealed with funding from PFRA and landowners; in excess of 195 wells have been sealed since 1994 to help protect groundwater quality.

Crossings

- The replacement and maintenance of crossings is a significant part of the management of the drainage waterway infrastructure.
- The crossing program consisted of the repair and or replacement of culvert infrastructure.
- New crossings consisting of culverts being installed at 2 locations.
- The District repaired or replaced numerous crossing culverts, floodgates and culvert ends at through road or dyke installations.

Public Education

- The District's Water Management Plan is ready for printing.
- The District sponsored the Springfield 4-H public speaking contest.
- The District sponsored the Ducks Unlimited Eco Van at two schools.
- The District constructed and sold bat boxes.
- The Conservation Farm Family award went to Rick Vaags and family, who owns and manages a large mixed grain, seed and hog operation near Dugald.
- The District also contributed to the Manitoba Conservation District magazine.
- The District Board, Sub-District members, and Staff attended numerous meetings, tours and workshops
- including the annual MCDA Conference in Brandon, MB.

Wildlife & Fisheries Management

- The District has taken possession of 46 acres of land near Birdshill Park, which was donated as an EcoGift.
- It is maintained as a wildlife area and District Office complex.
- Moving has taken place regarding relocating the District Office to the Wildlife Site.

Forestry Management

- The District distributed Spruce seedlings at two local community events.
- The District handed out packages of native grass and wild flower seeds.

Drainage Licensing

- The District continues to inspect and arrange stakeholders meetings for drainage license applications.

- Involved in discussions regarding the recommendations set out by the Manitoba Department of Water Stewardship for the Department to issue the license.

External Funding

The District searched for and received funding for a number of projects. External Funding included:

TOTAL EXTERNAL FUNDING 2004-2005

Partner/Program		**Funding**
Federal Government Gas Tax Rebate		$77
PFRA Well Sealing		$2,050
Summer Career Placement		$3,920
Federal/Prov Infrastructure		$15,809
CEC Participant Funding		$35,000
R. M. of Springfield Floodway Expansion		$30,000
Landowner Crossings		$12,703
Landowner Well Sealing		$400
Local Oakbank CPR Funding		$137,000
Miscellaneous Revenue		$1,463
Interest and Investment		$4,528
Insurance precedes		$6,904
	Total	$249,854

Administration

- Administration costs include office cleaning, office supplies, utilities, and some salaries.
- Discussions with Agassiz are ongoing regarding the options of the local Rural Municipalities forming a Conservation District in the Agassiz region or joining the Cooks Creek Conservation District.

Assets

- The District purchased:
  - New Photocopier
  - Boardroom Furniture
  - Office Furniture
  - Projector
  - Laptop and Software.

Intermountain Conservation District

Introduction

On July 15, 1997 the Intermountain Conservation District (IMCD) was officially established as Manitoba's ninth Conservation District. Nestled between the Riding Mountain National Park, the Duck Mountain Provincial Forest, and Lakes Dauphin and Winnipegosis, the landscape of the District varies from steep forested escarpment to gentle sloping lakeshore land. Encompassing approximately 7200 km^2, IMCD is the Province's largest Conservation District.

Municipalities participating in the IMCD include the Rural Municipalities of Dauphin, Ethelbert, Gilbert Plains, Grandview, Mossey River and Mountain South; the Villages of Ethelbert and Winnipegosis; the Towns of Gilbert Plains and Grandview; and the City of Dauphin.

INTERMOUNTAIN CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#47 -Vermillion River	Dwain Davies	Dauphin
#48 - Wilson River	Ernie Bayduza	Dauphin
#93 - Upper Valley River	Gordon Bennett	Grandview
#95 - Lower Valley River/Mink Creek	Wayne Banting	Grandview
#102 - Fishing/Fork/Mossey	Clarence Buhler	Fork River
#103 - Garland/Point	Gordon Parsons	Pine River
#105 - Pine/Sclater/Duck	Marvin Kovachik	Cowan
Provincial Appointee	Syd Puchailo	Gilbert Plains
Board Chairperson	Ron Kostyshyn	Ethelbert

Summary

Many of the programs being implemented by the IMCD address local water and soil issues. New watershed management plans have and will continue to outline the priorities for watersheds within the IMCD. New initiatives and ongoing promotional campaigns provided increased public awareness of the variety of programs available through the Conservation District program. The diversity of the district's landscape, resources and scenic features provide a variety of challenges and opportunities.

TOTAL EXPENDITURES 2004-2005

Activity		Expenditure
Administration		$37,801
Public Relations & Education		$59,672
Soil Management		$88,366
Water Management		$174,346
Assets – Field and Office Equipment		$24,877
Miscellaneous Expenses – Watershed/System Depreciation		$24,409
Board expenses		$4,136
	TOTAL	$413,608

For further details see Auditor's Report, Appendix C.

Water Management

The Valley River Watershed Study was completed and presented to the community. The goal of the project was to identify the priorities within the watershed and assist in the assembly of a prioritized list of shore land or riparian rehabilitation projects.

The project organization stage of the Vermillion River Watershed Study & Management Plan was completed and data gathering has started.

The Integrated Watershed Management Initiative (IWMI) entered its second year. The IWMI is a 5 year program that involves the collection of GPS-referenced culvert and bridge data for several watersheds in the IMCD.

Other projects included two streambank stabilizations, sealing 30 abandoned wells and several off-site watering systems.

Soil Conservation

The grassed waterway program continues to grow with a total of 15 grassed waterways developed in 2004-2005. The District's forage seed reimbursement program was also widely accepted and utilized during the year.

IMCD in partnership with Aerway pasture aerators were able to bring new agricultural technology to our producers within the district. Two field days were held to introduce a machine that restores pasture lands through aeration.

Fish and Wildlife

The protection of riparian areas and improvements to surface water quality provided through IMCD programs continue to contribute to the enhancement of fish and wildlife habitat. The IMCD makes every effort to integrate wildlife habitat initiatives into its existing programs.

IMCD in partnership with the Department of Water Stewardship (Fisheries) has submitted a proposal for external funding to develop an outdoor education center at an old borrow pit in the Rural Municipality of Grandview. The pit will be stocked with trout and aerated and will serve as an excellent site for outdoor education on fish biology and water quality.

IMCD has been in communication with the Lake Winnipegosis Advisory Board regarding potential improvements and the overall status of the tributaries that are part of the Lake Winnipegosis watershed.

Forestry

IMCD has signed a Memorandum of Understanding (MOU) with Louisiana Pacific Canada - Swan Valley Forest Division (LP) regarding watershed management and sustainability of water resources.

The district provided a booth at the Swan Valley Forestry Expo held at the Forestry Education Center in the Duck Mountains.

IMCD continues to maintain and utilize its two plantations. Tree planting projects were largely limited to community-based projects with IMCD providing the tress and technical knowledge to complete the projects.

Public Education

Promoting conservation to local youth, area landowners and communities continues to be a priority for the district. The major event of the year was the Manitoba Conservation District Association's – Youth Poster Contest & Display Competition. IMCD sponsored two students from Ethelbert School to compete at the Provincial competition. Their "watersheds" display received first in the provincial competition.

IMCD has established a mobile educational trailer that can be placed at various community events throughout the district. The trailer was donated to IMCD by the Dauphin Lake Advisory Board.

Beaver trapping workshops for youth and municipal partners and landowners were sponsored by IMCD and the Department of Conservation in conjunction with the Manitoba Trappers Association.

The District provided a booth at the "Challenges of Production" Forage & Beef and Crop Seminars in Dauphin. The seminars included trade fair displays for agricultural & resource companies and organizations.

Administration

Program management expenditures consist of all administrative costs associated with the operation of the office, including salaries and expenses of administrative staff, office supplies, office rental and utilities, legal, accounting and/or service fees.

Kelsey Conservation District

Introduction

Kelsey Conservation District (KCD) has been operation since January 1999. The District lies completely within the RM of Kelsey including the Pasquia and Carrot River settlements, Rall's Island, Wanless and Cranberry Portage. The District shares a provincial border with Saskatchewan and is located in the largest freshwater delta in the world. KCD is the only District north of the 53rd parallel; Wanless and Cranberry Portage are both north of the 54th parallel. There are no established sub-districts.

The District office is located in the Town of The Pas and is staffed by a manager and a part time administrator. The Board of Directors represents approximately 2,750 residents from within the Municipality and meets monthly to discuss the watershed issues of the District.

Priorities for the Kelsey Conservation District's Board include developing programs that educate the public about prudent resource management, soil and water conservation practices and local decision making as a means to maintain a healthy rural landscape. The involvement of youth and the formation of sound partnerships are also important aspects of the District's presence in the community.

KELSEY CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
Chairperson	Kathy Joyal	Rall's Island
Cranberry Portage	Dave Cupples	Cranberry Portage
Pasquia/Carrot River	Larry King	Pasquia
Wanless	Dan Davie	Wanless
Provincial Appointee	Darwin Marshall	The Pas

Summary

The Board of KCD continues to focus on developing and delivering programs around sustainable agriculture and riparian stabilization. Most of the programs offered through the District can be directly linked to improving water quality and ensuring that it will continue to be improved into the future. The Board continues to develop a management plan that will help to guide programs and decision making into the future. Programming in Wanless and Cranberry is directed at tourism and recreation. Working with and developing partnerships with outside agencies continues to be an priority for the Board.

TOTAL EXPENDITURES 2004-2005

Activity		Expenditure
Water Management		$23,579
Soil Management		$36,523
Public Education		$106,300
Wildlife & Fisheries Management		$6,497
Recreation		$3,858
Administration		$15,277
Assets		$13,967
	TOTAL	$206,001

For further details, please refer to the Auditor's Report in Appendix D.

Administration

- Expenditures for administration consisted of office rent, utilities, office supplies and other operating costs associated with delivering programs.

Water Quality

- This past year four alternate watering and exclusion fencing projects were undertaken. The pasture plow that was purchased in 2002 with the partnership of Ducks Unlimited Canada and PFRA saw limited use this year, as several livestock producers were reluctant to undertake new initiatives and costs due to BSE. Water quality testing is ongoing on The Pas and Carrot River in partnership with University College of the North where it enters the District and where it leaves the District.
- The five manure management sites that the District is working on progressed less than expected this year. The summer was cool and wet resulting in a delayed forage harvest and wintering areas that did not dry out enough to allow access for heavy equipment necessary to carry out the project.
- The abandoned well program continued this year with 17 wells being sealed. Interest in the abandoned well program will continue into the next year as a rural water pipeline has been completed.

Soil Conservation

- The Board's forage assistance program was offered throughout the District. The program offers to producers a financial incentive to seed forages in erosion prone areas and areas with high salinity. This program had a reduced uptake from past years. The Pasquia/Carrot River area saw 400 ha of erosion and salinity risk areas seeded to forage.
- The District assisted in planting 5 kilometers of shelterbelts.

- The District continued with a soil-testing program that helps producers determine what inputs are required to achieve their desired crop yields. This program was initiated to ensure that over application of fertilizer is not taking place. Nine producers took advantage of this program.
- In partnership with Manitoba Agriculture and Food, 12 producers took advantage of the forage-testing program. This program reduces the amount of manure produced by livestock during winter-feeding by ensuring that proper feed rations are provided.
- A swath grazing program was launched with six producers using the program. Swath grazing reduces the amount of livestock in concentrated areas resulting in better manure management. Swath grazing also ensures that risk of soil erosion is minimized.
- The District assisted three producers with establishing rotational grazing.

Public Education

- Education and extension is a priority for the KCD Board. A regular advertising campaign was ongoing in local newspapers. Several days were spent in five local schools and in the field discussing the importance of watershed management. The Board believes that investing in both board and staff professional development will help to ensure that the District will have positive impacts within the watershed.
- The District's Management Plan was moved to near completion this year. Printing and distribution is all that remains to be done to complete this document. This process was carried out with the assistance of a consultant.
- A first annual summer tour and dinner was hosted by the District this year with an excellent turnout.
- KCD is involved in a education committee with the MCDA. The goal of this committee is to have Conservation District values of watershed management be part of Manitoba's public education curriculum.

Wildlife and Habitat Enhancement

The District's duck and tree swallow nest and bat box program continued strongly this year. Private landowners with both small and large acreages having suitable habitat to warrant the installation of boxes qualify for the program. Agreements were signed with the landowners committing the landowner to maintaining the boxes and the habitat where the boxes were placed. University College of the North continues to be involved by analyzing the nest remains provided by participants of the program.

Recreation

- Using external dollars the District completed works on a public dock on Rocky Lake in Wanless.
- The District is working to establish two ecological trails that will be located on Grace Lake and in Cranberry Portage.

TOTAL EXTERNAL FUNDING 2004-2005

Partner/Program		**Funding**
Landowner		$3,489
Parkland Crop Diversification Foundation		$1,622
Special Conservation Fund		$2,260
Rocky Lake Cabins		$159
	Total	$7,529

Lake of the Prairies Conservation District

Introduction

The Lake of the Prairies Conservation District (LPCD) was established as Manitoba's 12th Conservation District on January 1, 2001 by uniting the municipalities of Russell, Shellmouth-Boulton and Silver Creek, the Town of Russell and the Village of Binscarth. In April 2004, the Rural Municipalities of Park North and Shell River, as well as the Town of Roblin joined the District to complete the watershed, with the exception of the western part of the R.M. of Hillsburg. The District now includes approximately 486,000 ha of rolling topography between the Duck Mountains and Riding Mountains and borders the Province of Saskatchewan. Its principal landscape feature is the Assiniboine River, running along the western border of the district.

The District is divided into six Sub-Districts based on the Assiniboine, Shell and Valley Rivers, Thunder Creek and Silver Creek. Thirty-two Sub-District members act in an advisory capacity to the main Board. The LPCD Board meets on a monthly basis at the District office in Inglis.

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#79 - Silver Creek *	Clifford Tetzlaff, resigned March 2005	Binscarth
#91 – Shell River	Gerald Brook	Roblin
#92A – Assiniboine River North	Brad Robin	Inglis
#92B – Assiniboine River South	Doug Bily	Russell
#92C – Thunder Creek	Frank Woroneski	Russell
#94 – Valley River	Dave Minshull	Shortdale
Provincial Appointee	Gene Nerbas	Shellmouth
Board Chairperson	Ron Turetsky	Shortdale

* Resigned March 2005, Vice-Chair of sub-district #79 also resigned March 2005; no replacement to date.

Summary

In its fourth year of operation, the District has maintained public education as a priority to provide effective change in soil and water management practices within the area. In addition to our school education programs the LPCD developed and hosted a one-day summer youth Eco-Camp. Through a variety of programs, projects and services, sustainable soil and water conservation efforts are visible on the landscape. New initiatives are continually being evaluated by the Board for credibility to expand and evolve the District's programming repertoire.

TOTAL EXPENDITURES 2004-2005

Activity		Expenditure
Water Management		$31,369
Soil Management		$24,578
Public Education		$70,808
Wildlife Management		$4,702
Forestry Management		$7,632
Fisheries Management		$7,418
Tourism/Recreation		$6,497
Geographical Information System		$1,947
Administration		$29,724
Assets		$14,658
	TOTAL	$199,333

For further details, please refer to Appendix E.

Water Management

- Five abandoned wells were sealed.
- The District provided 4 producers with assistance to create alternate watering systems for livestock and exclusion fence water bodies.
- The LPCD approved three riparian repair projects.
- Three producers trialed a portable, solar powered long range livestock watering system, providing them with the option to test the benefits of such a system without incurring commitment or cost. As well, an additional system was purchased by the District from Kelln Solar.
- One producer utilized the pasture pipeline trencher this year, with approximately .25 km of pipe being trenched.
- Funding from DFO was used to establish the "Stewardship on the Shell" project. Under this initiative, one landowner meeting was hosted in the Shell River sub-district. Guest speakers addressed the issues of crises in the cattle industry and riparian management.
- Through demonstration projects, funding initiatives and research projects, members will evaluate different grazing opportunities, weigh alternate watering options and assess riparian health of water systems on their property. As well, a Riparian Technical Workshop was conducted for technical personnel and producers, and covered the function of the riparian area, riparian area and fish habitat, pasturing, pre-assessment and field health assessments.

Soil Conservation

- 237 ha of cultivated land was sown to forage this year under assistance from this program.
  Total financial assistance was $5,850.00.
- With the aim of reducing saline seep, 16 ha of land was stabilized with salinity forage seed this year.

- Targeting first-time growers, the Winter Cereals program provided producers with an incentive to trial producing a winter wheat crop. 169.6 ha were subsidized under the program this year.
- 160 ha of conventionally tilled land was converted to clover cover this year, using 79 bags of seed.
- Modification to last year's riparian repair project was completed.
- One grassed waterway was funded this year.

Fisheries

- Continued meetings with the stakeholders of this project resulted in a plan to remove the Inglis Beach Weir that is agreeable to all involved.
- LPCD funded a riparian repair project in conjunction with the Silver Beach Cottage Owner's Association.

Wildlife

- One beaver leveler was installed by the CD. As well, LPCD contributed $1,500.00 towards the construction and installation of three beaver levelers in the R.M. of Park North.
- LPCD hosted the first Delta Waterfowl Youth Hunt to be offered within our District.

Forestry

- Ninety grade three students within the District were provided with white spruce seedlings under the Adopt A Tree for Soil Conservation Program.
- The prairie xeriscape project surrounding the District office focuses on water and soil conservation, reduced pesticide use, appropriate plant selection, efficient irrigation, and mulching with recycled organic material. The project also provides shelter, fruit trees, an educational component and aesthetics to the area. This year walking paths were constructed throughout the xeriscape, as well as the addition of bird feeders and a bird bath.

Tourism & Recreation

- Continued work on the Daneliuk Spring project site included construction of pathways from the road to the spring, and two bridges across the spring for easier access to the water.

Public Education

- Events hosted by the District included a Riparian/Grazing Club meeting, Eco-Camp, Technical Well Capping day, Producer Well Capping Demonstration day, Riparian Technical day, Pasture workshop day, Shock Chlorination demo day, youth hunt, a fall grazing day (in conjunction with UARCD), a winter watering day (in conjunction with UARCD) an open house in Roblin, an orientation meeting for all sub-district members and our first annual Banquet. The banquet was very successful with 136 in attendance.
- The District promoted its programs, projects, services and mandate through a variety of sources including seasonal newsletters, newspaper articles and advertisements and presence at local events. The CD also constructed a float which participated in a local Canada Day parade.
- Conservation Roadshow: The Roadshow is a menu of conservation activities by grade level, paralleling the Manitoba School education curriculum. One school presentation was made this year. Binscarth School grade four students also experienced hands-on ecological activities in the natural setting of the *Wetlands Classroom* at the Inglis Beach.
- Other Educational Programming: The District promoted DU 'On the Go' Program, National Wildlife Week, Earth Day and assisted with interpretive tours at the Skinner Arboretum.

Administration

- Administrative expenditures include office rent, utilities, staff salaries and expenses related to the administrative functions of the District.

Assets

- Assets include a truck, trailer, Pasture Pipeline Trencher, three off-site watering systems, a variety of computer equipment and a Ricoh photocopier.

Other

- Five requests for landowners aerial photos were received this year, as well as two requests for acreage counts utilizing the global positioning system (GPS).
- With funding received through Brandon University's Outreach Program, a summer student was hired to complete the development of the Access database and GIS mapping of programs, projects and services within the LPCD.
- A summer technician was hired with funding from the Green Team program.

La Salle Redboine Conservation District

Introduction

The La Salle Redboine Conservation District (LSRBCD) was established in January of 2001. The District encompasses 7,000km^2 of Central Manitoba, extending from Spruce Woods Provincial Park in the West to the Fort Whyte Center in the East. North to South, the boundaries extend from Delta Marsh on Lake Manitoba to a few kilometers South of Carman.

The District features a diverse landscape characterized by rolling sand hills, glacial till deposits and the Manitoba Escarpment in the west to Red River flood plain clay deposits in the east. This unique landscape has encouraged the LSRBCD to promote a variety of conservation programs for all of the Districts 37,000 residents.

LSRBCD includes the Rural Municipalities of Victoria, South Norfolk, Dufferin, Grey, Cartier, MacDonald, portions of Portage la Prairie and Ritchot, the towns of Treherne, Carman, St. Claude and the City of Portage la Prairie. The boundaries are further divided into 8 Sub-Districts with local representation governing each Sub-District board. In total LSRBCD has 49 board members, who give direction to the main board of directors, listed below.

LA SALLE REDBOINE CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#18 – Boyne – Norquay	Roy Wood	Carman
#21 – Central La Salle	Leonard Arnal	Fannystelle
#22 – Lower La Salle	Rodney Burns	Starbuck
#24 – Upper La Salle	Claude Menard	Elie
#71 – Cypress River	Raymond Huggart	Treherne
#100 – Long Lake	Terry Martin	Portage la Prairie
#100A – Assiniboine	Marshall Piper	Elie
#101 – Delta	Toby Trimble	Portage la Prairie
Chairperson	Doug Dobrowolski	Domain

Summary

2004-2005 marked the second year of LSRBCD programming which built upon the success of previous years programming and provided new programs where required on the landscape. In total, LSRBCD completed 54 soil and water management projects and offered 16 soil management, water management and public education programs.

This year the LSRBCD began the first water control project in the headwaters of the Boyne River watershed. This project and similar future projects are designed to provide temporary water storage for downstream flood relief, while providing wildlife habitat, reducing downstream erosion, and drought proofing water deficit areas.

TOTAL EXPENDITURES 2004-2005

Activity		Expenditure
Water Management		$84,420
Soil Management		$3,279
Public Education		$5,287
Amortization		$27,624
Project Management		$173,717
Assets purchased capitalized		$84,944
	TOTAL	$379,271

For further details, please refer to Appendix F.

Integrated Watershed Management

In 2004-2005 fiscal year, the LSRBCD Board of Directors organized several planning meetings to create an action plan and long term mandate for the La Salle Redboine Conservation District. Members have been actively pursuing support and gathering baseline data for all LSRBCD watersheds to facilitate integrated watershed management planning. LSRBCD members were highly involved with the Stakeholders Round Table for the recently completed Stephenfield Watershed Management Plan.

The Board of Directors laid the groundwork for completing a riparian inventory of the La Salle River Watershed to aid in future planning. LSRBCD is also investigating involvement in a drainage licensing pilot program in partnership with Manitoba Water Stewardship.

The LSRBCD completed 20 GIS service products for watershed assessments and designed highly detailed Sub District maps for each of our 49 Board Members.

Water Management

Prevention of downstream flooding through temporary water retention, and maintenance of high quality ground and surface water, are the highest priorities of the LSRBCD. Water management activities include:

- Water retention construction projects: 1 small dam completed, investigation of several wetland restoration and backflood irrigation projects for 2005-2006
- 100 participants in well water testing day
- 23 wells sealed in partnership with PFRA
- 3 riparian livestock fencing projects completed
- 285km of Provincial Drainage channels mowed for improved conveyance in La Salle River and Boyne River Watersheds
- 25 dugouts monitored for water quality in partnership with Delta Marsh Field Station (U of M) and Manitoba Agriculture and Food – Portage Office
- 1 constructed wetland monitored for nutrient removal performance

Soil Management

The La Salle Redboine Conservation District is characterized by diverse soil varieties. Each soil type requires different management and degrees of protection. In order to provide a solution for all soil resources District wide the LSRBCD offered the following soil programs; Bufferstrip Plantings, Rotational Grazing Systems, Streambank Rehabilitation, Shelterbelt Program, Grassed Runways, Sensitive Soils Program, and Gully Erosion Repairs. Activities in 2004-2005 included:

- Establishment of 5 saline soils forage rehabilitation sites, 3 in partnership with Ducks Unlimited
- 5 municipal erosion control projects in partnership with RM of South Norfolk, RM of Grey, RM of Dufferin and PVCD. These projects prevent sedimentation and down cutting of roadside drains and protect LSRBCD rivers from sedimentation.
- GIS delineation of soils "At Risk" to erosion throughout the Conservation District for project targeting
- 4 rotational grazing systems on "At Risk" soils throughout the LSRBCD
- Installation of 4km of pasture watering pipelines

Public Education and Urban Watershed Management

In the 2004-2005 fiscal year, LSRBCD supported several public education and extension initiatives. Projects LSRBCD was involved with include, supporting producer workshops and seminars, assisting community groups with tree plantings and interpretive trails, sponsoring Oak Hammock Marshes "Watershed Ecovan" program, and organizing a well water testing day. LSRBCD also completed a webpage about the Conservation Districts program and published several newspaper articles regarding District activities and best management practices. The Conservation District sponsored a coloring contest which attracted 150 entries from CD elementary schools and purchased a water quality testing kit for Crescentview Elementary's ecology program. The Conservation District recognized the McCullough Family of Carman as LSRBCD's Conservation Family of the Year. LSRBCD also sponsored Fairholm Colony's Envirothon team and provided in school lectures regarding Envirothon topics. Fairholm Colony School's Envirothon Team was the 2005 winner of the Manitoba Envirothon.

Assets

In 2004-2005, LSRBCD completed construction of an equipment shed in the Town of Holland. The shed will house field gear and weather sensitive project materials.

Little Saskatchewan River Conservation District

Introduction

In 1999, the Little Saskatchewan River Conservation District (LSRCD) was developed as Manitoba's 12th conservation district. It is located southwest of Riding Mountain National Park and extends south to the Assiniboine River, west to the community of Oak River, and east to the community of Minnedosa. The District is 312,700 ha and has a population of 8,602 residents. It includes all or parts of seven rural municipalities and three towns.

Viewed as one of the more scenic and important waterfowl development areas, the LSRCD has its share of challenges; from the distinctive pothole marshes, undulating lands, significant elevation changes, to the difficulties associated with farming the steep valleys of the Oak and Little Saskatchewan Rivers.

The LSRCD is comprised of three distinctive watersheds. Six sub-district committees represent these sub-watersheds and serve in an advisory capacity to the main LSRCD Board

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#72A – Upper Oak River	Ken Wozney	Strathclair
#72B – Lower Oak River	Rod Vietch	Rivers
#81A – Upper Central Little Saskatchewan	John Whitaker	Erickson
#81B – Lower Central Little Saskatchewan	Ron Carr	Minnedosa
#82A – Upper Lower Little Saskatchewan	Ray Frey	Onanole
#82B – Lower Little Saskatchewan	Ed McKay	Rivers
Board Chairperson	Roy Greer	Rivers

Summary

This year, the LSRCD continued to expand into regions within its watershed boundary. The RM's of Strathclair and Park, Town of Erickson, and part of the RM of Rosedale joined the District.

During 2004-2005, the LSRCD maintained support for its program uptake and participation. In addition to its regular programming, the LSRCD worked on new initiatives. The Alternative Land Use Strategy (ALUS) project proceeded with the help of its partners; the Keystone Agriculture Landowners, the Delta Waterfowl Federation, and the RM of Blanshard. Together, the first pilot project proposal was developed to test the ecological services concept. The proposal was submitted to potential stakeholders for review and to provide them with the opportunity to assist the proposal in becoming a reality in the spring of 2005.

The LSRCD also continued with integrated watershed planning initiatives that were started in Broughton's Creek Watershed and the Sandy Lake Watersheds. Each of the plans was in its final stage and was scheduled to be released in spring-summer of 2005.

TOTAL EXPENDITURES 2004-2005

Activity		Expenditure
Water Management		$111,438
Soil Management		$73,280
Wildlife Habitat Programs		$21,280
Education		$74,788
Forestry		$11,645
Program Management		$20,561
Assets		$4,907
	TOTAL	$405,150

For further details, please refer to Appendix G.

Water Management

The primary focus for the LSRCD is to provide sustainable working programs that address the regional needs and issues of the watersheds. The Board and Sub-District members provide direction for planning and development by focusing on the long-term sustainability of the resources.

Board Initiatives:

- Completed the Sub-District boundaries revisions concurrent with the District's expansion. The number of Sub-Districts changed from three to six. This was done in consultation with various departments and agencies, as well as locally.
- Continued the LSRCD Coordinated Well Testing Day Program. This was conducted to help residents of the District understand the importance of source protection for water quality. Over 150 people participated by providing their water quality samples for analysis.
- Reviewed program cost sharing – (landowner share to programs/projects), as well as review programs to examine where the LSRCD could best utilize its program dollar to meet the LSRCD and provincial priorities.
- Continued to upgrade training for GPS and GIS services to make better resource management decisions.

Sub-District Initiatives:

Sub-District # 72A Upper Oak River Watershed

- Completed sealing (4) abandoned wells
- Assessed (4) abandoned wells
- Currently involved in (1) Riparian Pasture Project along Salt Lake

Sub-District # 72B Lower Oak River Watershed

- Constructed a Headwater Storage Project within the headwaters of the Sibbald Creek Watershed

- Completed (1) pasture pipeline project
- Completed (2) Winter Water Demonstration Projects
- Assessed (5) abandoned wells
- Sealed (8) abandoned wells

Sub-District # 81A Central Little Saskatchewan River Watershed

- Surveyed (2) headwater storage structures, completed (1) structure in the RM of Park
- Completed (3) pasture pipeline projects
- Assessed (16) abandoned wells
- Sealed (5) abandoned wells

Sub-District # 81B Lower Central Little Saskatchewan River Watershed

- Completed (3) pasture pipeline projects
- Assessed (13) abandoned wells
- Sealed (5) abandoned wells
- Continued to develop a proposal for a constructed wetland within the Minnedosa Golf Course.
- Signed (2) Landowner Agreements for developing two riparian projects along Minnedosa Lake.
- Continued to examine possible opportunities to help alleviate flooding in the Minnedosa Flood Protection Plan
- Planning to develop (2) headwater storage projects in the RM of Minto

Sub-District #82A Upper Little Saskatchewan River Watershed

- Completed (2) pasture pipeline projects
- Assessed (5) abandoned wells
- Sealed (3) abandoned wells
- Surveyed (4) water management projects, including a Manure Management Plan
- Planning a public review of the Sandy Lake Watershed Plan in early spring

Sub-District #82B Lower Little Saskatchewan River Watershed

- Developed (1) headwater project in the RM of Saskatchewan
- Planned the final draft of the Options and Alternatives phase of the Broughton's Creek Integrated Watershed Plan
- Received funding for (1) Riparian Fencing project along Lake Wahtopanah
- Developed (2) water-monitoring stations in Broughton's Creek Watershed to test water quality and quantity flows
- Began Culvert Inventory and Stream Assessment for Broughton's Creek
- Completed (4) pasture pipeline projects
- Assessed (13) abandoned wells
- Sealed (7) abandoned wells.
- Provided geotechnical information to (2) producers

Soil Management

The Soil Management Program was established to address a number of issues including erosion, soil vulnerability, and marginal lands. Activities included:

- LSRCD continued its partnership with Ducks Unlimited to deliver a joint Forage Seed Assistance Program throughout the District. 45 producers enrolled and 984 ha were seeded.
- Continued to deliver the Seed Drill Program. 102 hectares were secured to a permanent cover.
- In partnership with Ducks Unlimited, salinity seed was provided to landowners (49 ha).
- Assisted with 4 kilometers of shelterbelt plantings and 9 kilometers of plastic mulch application
- 5 landowners participated in the Pasture Improvement Program.

- Completed GIS inventory of Forage Seed Applicants for the past three years.
- Assisted one landowner with completing his Environmental Farm Plan.

Wildlife Habitat Programs

The LSRCD incorporates wildlife habitat development and recognition with all the programs that the District delivers. Most of the activity is directly associated with programs that provide wildlife benefits. The past year's activities included:

- In conjunction with Delta Waterfowl Federation and Keystone Agricultural Producers, the LSRCD developed a proposal for a three-year pilot project within the Rural Municipality of Blanshard for the delivery of Alternative Land Use Strategy (ALUS). The pilot is to examine the concept of recognizing landowners for the ecological benefits that they are already providing.
- Distributing two Beaver Leveler Pipes to producers

Education

The LSRCD continued to make education a top priority. Activities included:

- Continued Classrooms and Creeks Program in two schools: Erickson and Rivers Collegiate. Students analyzed water chemistry from the Rolling River Watershed (Erickson) and Broughton's Creek Watershed (Rivers) including 16 sample sites along the Little Saskatchewan River on a bi-annual basis.
- Conducted presentation and workshop with "Ag in the Classroom" to 25 urban teachers regarding the soil and water issues on the agricultural landscape.
- Maintained liaison between the LSRCD and member councils regarding the District activities and expansion process.
- Assisted with the collection of water quality data for "Covering New Ground" on specific land field applications.
- News articles, radio and television interviews completed.
- Bi-annually produce the LSRCD newsletter "Resource Reporter".
- Conducted radio interviews for upcoming events within the District.
- Conducted 8 presentations to promote the overall program.
- Selected the Dan Lepp Farm of Rivers, Manitoba as the LSRCD 2004-5 Conservation Farm Family.
- Develop GIS maps for each of the member municipalities of the LSRCD and GIS maps for landowners for their on-farm plans.
- Worked in Partnership with the Assiniboine River Community College GIS Course to assist with a field day of surveying and design of a specific resource project.

Forestry

The LSRCD understands the importance to a healthy landscape and the sustainable management of forested areas is no exception. Activities included:

- Initiating a pilot program called "Healthy Woodlots for Watersheds" where landowners receive incentives to incorporate harvesting of their woodlot plans in a low impact fashion. Three producers were targeted for evaluation of a full program to be introduced in spring of 2005.
- Developing news articles and promotional literature for landowners to understand the benefits of the new program.

Program Management

These costs include the rental of a building and the utilities within it in addition to the costs of office operation such as fax, phone, photocopier and supplies. Salaries associated with administrative duties are included as well as salary deductions.

Assets

Additions to office and support equipment included new computer equipment.

Mid Assiniboine River Conservation District

Introduction

On March 1, 2002, Mid Assiniboine River Conservation District (MARCD) was proclaimed by Order in Council as Manitoba's 15th Conservation District. It encompasses 1,546 km^2 of land in western Manitoba and has a population of over 6,600. The Member Municipalities are Cornwallis, Elton and Whitehead, who partner to offer area residents a wide variety of Soil and Water Management Programs. The Assiniboine River is the dominant water body flowing through the District. The district also contains two small watersheds those being the Little Souris River to the south and the Willow Creek to the north of the Assiniboine River.

Manitoba Water Stewardship is our major supporting partner. In addition to core funding in 2004-2005, MARCD was able to successfully partner with Agriculture and Agri Food Canada (PFRA), Ducks Unlimited Canada (DUC), Manitoba Habitat Heritage Corporation (MHHC), Manitoba Agriculture (CNG), Fisheries Enhancement Initiative (FEI), Manitoba Conservation (SDIF), Toronto Dominion Friends of the Environment (TD FEF), the Manitoba Forage Council (MFC) and Manitoba Hydro.

MID ASSINIBOINE RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#98A - Little Souris A	Emil Egert	Brandon
#98B - Little Souris B	Gord Hansen	Brandon
#99A - Willow Creek	Harvey Paterson	Forrest
Board Chairperson	Wes Williamson	Alexander

Summary

During its third full year of operations, the MARCD offered a variety of programs to landowners focusing on soil and water management issues. The District continued development of a watershed management plan on Sub-District 98B in the Little Souris River Watershed with the completion of a state of the watershed report and assisted municipalities, landowners and others with over 100 projects.

TOTAL EXPENDITURES 2004-2005

Activity		**Expenditure**
Water Management		$68,077
Soil Conservation		$20,724
Wildlife/Fisheries		$3,285
Forestry		$5674
Public Education		$26,252
Assets		$29,444
Other Project Support		$15,510
Administration		$20,211
	TOTAL	$189,177

For further details see Auditor's Report, Appendix H.

Water Management

- Capped 26 abandoned wells in partnership with PFRA.
- Installed one off-site watering system with the pasture pipeline plow.
- Installed 8 new local water supplies.
- Continued developing an Integrated Watershed Management Plan by completing a State of the Watershed Report for the Little Souris River.
- Held a summer water system tour for the Grand Valley Grazing Club.
- Reviewed 5 drainage licenses.
- Completed two aquatic surveys as FEI projects.
- Assisted with 10 water sample tests.

Soil Conservation

- DUC provided salinity seed to 10 producers for 40 ha of saline tolerant forages on cropland edges.
- Established 142 ha of winter wheat for soil erosion prevention for 7 producers.
- Planted 2.6 km of shelterbelts.
- Held a winter corn grazing tour for the Grand Valley Grazing Club.
- Rented the Zero Till drill to establish 1647 acres of new forages for 31 producers.
- Completed four community tree planting projects 3 in partnership with Manitoba Hydro Enhancement.

Public Education

- Oak Hammock Marsh "On the Go" visited Alexander, Forrest, Douglas and Shilo elementary schools.
- Visited several schools for Conservation Farming presentations.
- Attended Bovine and Shoreline Workshop sponsored by MHHC.
- Held a winter grazing management meeting for the Grand Valley Grazing Club.
- Conservation Farm Family nominee was Gord Beddome and Patti Greene and family of Douglas, Manitoba.
- Poster contest for Manitoba Conservation Districts Association had 35 entries with three winners chosen.
- Completed 25 geomatics projects.
- Partnered with Brandon and Area Planning, Intergovernmental Affairs, Elton RM and Cornwallis RM to geo reference assessment parcels in the RM's of Elton and Cornwallis.
- Partnered with RM of Whitehead and Brandon University to complete a geo referenced inventory of culverts within the RM.
- Development of a web page for the MARCD in partnership with CNG.
- Purchase of a tabletop display with the assistance of TD FEF.

Program Management

Office operations, staff wages and expenses, Board remuneration and expenses and other operating expenses are included in this program.

TOTAL EXTERNAL FUNDING 2004-2005

Partner/Program		**Funding**
Fisheries Enhancement Grant		$37,353
TD Friends of the Environment		$1,000
Healthy Water (MWSB)		$5,000
Sustainable Development Innovation Fund		$7,849
Covering New Ground		$4,000
Miscellaneous		$14,003
	TOTAL	$69,205

Pembina Valley Conservation District

Introduction

The Pembina Valley Conservation District (PVCD), incorporated in October 1989, encapsulates 5,164 square kilometers of southern Manitoba. The District shares a boundary with North Dakota and its principal landscape features include the Pembina Valley, Pembina Escarpment, Tiger Hills, Cypress River Valley, and part of the Red River Valley.

The PVCD is a partnership between the 16,650 residents of the 6 rural municipalities, the towns of Pilot Mound and Manitou and the villages of Cartwright and Crystal City. There are 8 sub-districts, representing mini-watersheds within the district. This strength of this partnership lies in the grassroots approach and strong support from Manitoba Water Stewardship Department and other departments and external agencies. Partnerships are critical to delivering the PVCD program.

PEMBINA VALLEY CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
Boundary Area	Rob Harms	Snowflake
Lizard Lake	Murray Seymour	Darlingford
Swan Lake	Larry Van Cauwenberghe	Swan Lake
Tiger Hills	Gerry DeSmet	Cypress River
Pembina Escarpment	George Jackson	Miami
Crystal/Cypress	Brian Charles	Cartwright
Badger Creek	Randy Dyck	Holmfield
Dead Horse	Ken McElroy	Darlingford
Board Chairman	Don Alexander	Miami

Summary

The PVCD program continues to focus on fundamental soil and water management issues, working with landowners to encourage conservation practices. Water quality issues are a growing concern for area residents and in response, additional resources are being allocated to address this. Concerning wells, the District has been involved with water testing, shock chlorinating, well assessment and abandoned well filling. As all aspects of the environment are interconnected, the Board feels that improved water quality is an end product of a lot of the work that we are involved in. To this end the Board has embarked on a number of integrated watershed planning efforts. Multipurpose water retention projects continue to be delivered on the landscape, as are gully stabilization and grass waterways.

Partnerships with Government and non-government agencies enhance the programming that can be offered to local landowners and Municipalities. The Board appreciates the funding support from Manitoba Agriculture, Food and Rural Initiatives and PFRA for winter watering, well filling, grazing plots and alternative stock watering demos. Ducks Unlimited Habitat Conservation Program helped fund a salinity barrier program. Manitoba Hydro Forest

Enhancement Program paid for hundreds of trees to be planted all around the district in public places. Manitoba Habitat Heritage Corporation assisted with tree planting for bank stabilization works and co-funded a riparian fencing program. A number of potential fish habitat enhancement projects are being investigated as a result of the study that was completed on improving the fisheries potential of the Pembina River. As in the past, federal (Summer Career Placement) and provincial (Manitoba Conservation - Hometown Green Team) sources subsidized the cost of hiring summer staff, providing them with valuable experience and completing many important jobs for the district.

TOTAL EXPENDITURES 2004-2005

Activity		Expenditure
Water Management		$406,887
Soil Management		$26,761
Public Education		$76,689
Wildlife/Fisheries - Trees		$26,999
Program Management		$49,468
Assets		$26,296
	TOTAL	$613,100

For further details, please refer to Appendix I.

Water Management

The District is involved with watersheds that drain into the Pembina, Assiniboine and Morris Rivers. Growing water management concerns include flooding, erosion, sedimentation, water quality and the need for basin wide planning and direction. Over the past year the District completed the following programs:

- Constructed 31 back flood, stabilization and water retention projects
- Sealing 45 abandoned wells
- Shocked 5 wells and completed a well assessment per well
- Worked on the development of five Integrated Watershed Management plans including:
- Coleman Watershed
- Goudney Reservoir
- Pembina River Basin
- Assiniboine Delta Aquifer
- Stephenfield Reservoir
- Demonstrated off site watering systems for 3 area farms

Soil Management

The Board views soil conservation as an important factor in the economic, social and environmental health of the rural landscape. Our role in soil conservation is changing as agriculture is changing with increased size of farms and machinery. The CD soils program included the following works:

- Forage seed assistance program with 1,124 acres sown down to permanent cover

- Annual forage seed 1,712 acres sown down for grazing
- Gully stabilization – 2 projects
- Grass waterway establishment and maintenance – 3 projects
- Streambank stabilization – 1 project
- 1 Checkstrips forage plot demonstrating different varieties of native grasses

Public Education and Extension

The Board puts Public Education and Extension as a high priority. The following projects were delivered this year:

- PVCD information is passed on to the community through the local newspapers and newsletters that highlights the District's activities.
- The Board sponsored the Ducks Unlimited "On the Go" program in 8 of our local schools. Several environmental educational sessions with local schools were delivered in and out of the classroom.
- The PVCD Envirothon Club, which is made up of local high school youth, is supported by the Board and provides a fun environmental education opportunity.
- The Binney Corner Nature Preserve is a 13-hectare natural site within the District that is used for education, recreation and nature appreciation. Several school groups used the Binney site for an outdoor classroom.
- Through Stewardship in Action, Department of Fisheries & Oceans funding was received for a Goudney Watershed Management Planning Project. This funding provided the Grade 11 & 12 students from the Pilot Mound High School with equipment for water testing, books and test kits to assist with their Watershed Study Course, this course was offered as part of their Science curriculum called "Current Issues." Speakers were brought in to cover watershed topics such as GIS, soils, fish habitat and water quality.
- The Greencover Canada program has allowed PVCD on behalf of the MCDA to contribute to the promotion of creating a series of videos that will showcase sustainable ways to manage livestock through the wintering period. The second video in the Winter Livestock Site Management series focuses on winter feeding strategies, infrastructure development and natural area protection.
- Dean Hildebrand of Morden was chosen as the Conservation Farm Family. Dean was recognized by the District and the MCDA for his stewardship of the land.

Wildlife

Although all the work the Board is involved with benefits wildlife and fish habitat, specific related projects include the following:

- Manitoba Hydro through the Forest Enhancement Program sponsored the purchase of shade, shelter, and native fruit trees for planting in local community parks and public areas.
- The District promote the Green Banks (Riparian Stewardship) program, which promotes healthier riparian zones for our rivers, lakes and streams and partners with MHHC and Manitoba Agriculture Food and Rural Initiatives to deliver this program.
- Ducks Unlimited and the District worked together to encourage landowners to sow a salinity seed as an alternative to increased drainage. 16 landowners participated in this program and sowed down 230 acres to permanent cover.
- The District sponsored 16 landowners for our Forage Seed program sowing down 894 acres.
- The District sponsored 22 landowners for our Annual Forage Grazing program sowing down 1,712 acres.

Program Management

The District has a dedicated Board and Staff that are continually looking for new ways of dealing with the challenges presented by local soil and water problems. Office operations and operating expenses are included in this program.

Seine-Rat River Conservation District

Introduction

The Seine-Rat River Conservation District (SRRCD), established in January 2002, presently includes approximately 1,815 km2 of land located within all or part of the municipalities of La Broquerie, Ste. Anne, Hanover, and the City of Steinbach. There are approximately 27,000 residents living within these four areas.

The District is divided into five unique sub-watersheds (sub-districts) and is characterized by a diversified and intensive agricultural community. The agricultural activities include livestock (beef, dairy, poultry and hogs), forage production, annual crop production, and specialty operations. The soil types within the southeast vary from course sands in the East to fine river bottom clays closer to the Red River. The diversity of agricultural operations and soil types create many challenges throughout the District.

The major contributing partner to the SRRCD is Manitoba Water Stewardship. The cooperation of various levels of government, non-government organizations and District landowners, results in allowing local people the opportunity to plan solutions for, and work together towards the effective management of resources within southeast Manitoba.

SEINE-RAT RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#4 – Joubert Creek	Roland Gauthier	La Broquerie
#6 – Tourand Creek	Jean Gagnon	La Broquerie
#7 – Manning Canal	Chris Goertzen	Steinbach
#8 – Upper Seine River	Denis Vielfaure	La Broquerie
#9 – Lower Seine River	Arthur Bergmann	Ste. Anne
Board Chairperson	Cornie Goertzen	La Broquerie

Summary

The SRRCD has experienced growth over the past two years and will hopefully continue to expand and involve more municipalities, towns and villages over the next few years.

The District offers a good mix of programs to residents and has worked on continually updating and improving the programs available, based on priorities within each sub-district. Water management continues to be the main priority for the District. The majority of the projects completed in 2004-2005 reflect that focus. In the past two years, the District has initiated two watershed-based management plans which will prove beneficial in providing solid direction and project priorities in the very near future.

TOTAL EXPENDITURES 2004-2005

Activity		Expenditure
Water Management		$113,454
Soil Conservation		$ 21,888
Public Education		$ 49,304
Wildlife/Fisheries		$ 32,251
Administration		$ 28,421
Other		$ 1,514
	TOTAL	$246,832

For further details see Appendix J.

Water Management

The Board realizes the importance of managing water within the watershed areas and sees the maintenance of overgrown drains, reducing flooding, controlling erosion, and protecting water quality as top priorities. The Board continues to promote the importance of identifying sites where feasible water retention sites could be created. With the valuable historical background information that members have within some of the sub-watersheds, the District was able to investigate many potential project sites and begin a future plan. The Board also offers an abandoned well sealing program with the intent of reducing hazards to people and livestock and ensuring the protection of the valuable groundwater which all residents and businesses of the area depend on daily.

- Partnered with municipalities towards the maintenance of 4 km of drains.
- Involved over 120 District residents with having their well water tested through the Well Water Testing program.
- Construction of 2 water retention structures.
- Partnered with municipality on improvements to major existing water control structure.
- Completed road improvement and maintenance work at Forest Road #13.
- Improved pasture areas through planned drainage projects.
- Completed Final Report on the SRRCD Surface Water Quality Testing program in partnership with MB Conservation.
- Assisted with 3 riparian fencing projects and 1 off-site watering system set-up.
- Held "Managing the Waters Edge" Riparian management workshop in partnership with MHHC.
- Completed 2 stone livestock crossings.
- Sealed 2 abandoned wells.

Soil Conservation

The SRRCD offers three programs aimed at the conservation and enhancement of soil resources within the area. Activities included:

- Established 2 grassed waterways.
- Contributed to 3 rotational grazing projects.
- Assisted 4 landowners with shelterbelt projects.
- Investigated and considered many soil erosion areas for future project sites.
- Partnered with PFRA in a three year Hog Manure/Forage Fertility Trial research study.

- Partnered with the University of Manitoba - Faculty of Ag and Food Sciences on a pasture improvement and beneficial management practices research study.

Public Education

- Supported the DUC "Watershed Ecovan" to perform environmental education presentations at La Broquerie, Ste. Anne and Steinbach schools.
- Improvements to the SRRCD website, used as a promotion and information transfer tool.
- The Wolfe Family from La Broquerie received recognition as the 2004 Conservation Family.
- Utilized Geographic Information System (GIS) software to create custom maps and assist with project planning and education amongst CD members.
- Worked on developing new partnerships with local non-government organizations.
- Contribution to the annual Manitoba Conservation Districts Association (MCDA) magazine.
- Performed presentations on the use of Geographic Information System (GIS) in watershed management.
- Received recognition of projects, events, and general promotion from local radio station and newspapers.

Wildlife/Fisheries Programming

The SRRCD recognizes wildlife habitat and fisheries enhancement as important aspects of an overall resource management plan, and strives to become involved with local groups towards creating worthy conservation projects.

- Finished the Seine River Survey and Restoration Planning Project with support from FEI. Site specific project work will begin in summer 2005.
- Began the Rat River Fish Habitat and Riparian Assessment Survey with support from FEI and the Department of Fisheries and Oceans.
- Planted over 200 PFRA trees at Marchand Park.
- Began work at the March and Nature Trail with support from the Environmental Youth Corps program.

Expansion Activities

The District continued their expansion efforts by initiating and becoming involved in meetings and discussions with other potential new municipal, town, and village partners within southeast Manitoba.

Tiger Hills Conservation District

Introduction

Becoming Manitoba's 13th Conservation District in 2001, the Tiger Hills Conservation District (THCD) was formed with the 3,947 citizens of the Rural Municipalities of Argyle, Glenwood, Strathcona and South Cypress, and the Village of Glenboro, partnering with the Province of Manitoba. Encompassing 7,953 km^2 of drainage area, 3 major river systems, and soil types ranging from Stockton sands to Assiniboine Clays, THCD is divided into five sub districts, each responsible for a distinctive watershed and each committed to wise resource management and sustainable development.

TIGER HILLS CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#56 - Pelican/Rock Lake	Rob Stephenson	Killarney
#68 - Elgin Creek	Doug Denning	Souris
#70A - Upper Oak Creek	John Chambers	Belmont
#70B - Lower Oak Creek	Rodney Durham	Belmont
#99 - Central Assiniboine	Cam Hamilton	Glenboro
Board Chairperson	Hugh Stephenson	Baldur

Summary

The District continues to refine programs and policies focussing on local issues and concerns. A major direction for the District has been to increase awareness and participation in conservation programs.
Each Sub District has developed programs and promoted projects directed at specific issues within their boundaries.

In its third year of operations, THCD has defined programs and policies that focus on local concerns including integration and management of all natural resources. Programs have been developed that increase awareness and address soil and water conservation issues, manage problem wildlife and habitat degradation, and promote and reward wise natural resource stewardship. In 2004 the District assisted landowners, municipalities, and other residents with 115 conservation projects.

TOTAL EXPENDITURES 2004-2005

Activity		Expenditures
Public Education and Extension		$ 33,618
Soil Conservation		$ 48,214
Water Management		$ 47,475
Wildlife/Fisheries Management		$ 12,873
Special Projects		$ 19,691
Administration		$ 15,923
	TOTAL	$177,794

For further details, please refer to Appendix K.

Public Education and Extension

- The District hosted the 28th annual Manitoba Conservation Districts Association Tour. The tour highlighted some of the challenges the District faces, such as local flooding and riparian degradation, as well as some of our successes, including water source protection through offsite livestock waterers, pasture-pipeline installation, and well capping.
- The Rock Lake Annual Ice Fishing Days saw 7 schools send classes to learn about ice and winter safety, fish and fish habitat, and how conservation practices can protect the fragile balance of the lake ecosystem. None of the kids actually brought any fish onto the ice but everyone had fun.
- Oak Hammock Marsh's "On the Go" visited Baldur, Glenboro, and Souris public schools as well as visiting Nature Valley, Newdale, Sandy Bank, Shamrock, and Whistling Wind Hutterite Brethren Schools.

Soil Conservation

- Salinity Solutions has 7 farmers in the Elgin Creek SD #68 cooperating on a demonstration project where their fields were extensively mapped and analysed using the latest soil testing technologies and a plan of attack using BMPs established.
- To address Aspen Encroachment, Leafy Spurge invasion, and other prairie concerns, SD #99 has partnered with the Prairie Stewards and are using different techniques, such as multiple species grazing, to control leafy spurge, and controlled burning, brush crushing, and intensive grazing, to limit aspen encroachment.
- 4 days of Pasture Management
- 15 ½ days of Molehill Levelling
- 328 ha of Forage Seed Assisted
- 40 ha of Fall Sown Crops Initiated
- 5 bags of Saline Tolerant forages distributed (Thank you Ducks Unlimited Canada)
- A Community Forest established in the village of Belmont

Water Management

- Slowing the flow of the extensively modified Lower Oak Creek is a priority to SD #70A. In-Stream Structures has seen the installation of a series of three low tech rock riffle structures designed to act as silt traps, and in some cases as armoured crossings for farm machinery.
- Source point protection of water resources continues to be SD # 70B's priority. A system using solar energy was installed on a sand-point well that provides water to cattle and keeps them from entering Oak Creek. A simple modification uses geothermal heat and allows year round use of the system.
- 10 Abandoned Wells Capped
- 8 wells Shock Chlorinated
- 2288 m of Pasture Pipeline installed

Wildlife & Fisheries Management

- The 3 CD's bordering the Pembina River system, the District (through SD #56), PVCD, and TMCD, initiated a riparian and fish habitat assessment through the Tri Lakes Development Group.

Special Projects

- The District partnered with the Whitemud Watershed Conservation District in a program exchange. WWCD tree planting crew assisted in establishing Upper Oak Creek SD # 70B's community forest and the District sealed 2 abandoned wells in WWCD.
- The District joined PVCD and PFRA in creating a series of how to videos that highlight winter livestock BMP's
- The District, TMCD, MARCD, and WSRCD have collaborated on programs designed to increase the visibility of the SW Regional CDs through a joint newsletter, water festival, and volunteer stream monitoring programs for 2006.

Administration

- Office operations, Board remuneration, communications, and other operating expenses are included in this category.

Turtle Mountain Conservation District

Introduction

The Turtle Mountain Conservation District (TMCD) covering an area of 4,518 km^2 is located in the southwest corner of Manitoba along the international boundary. The District is bounded on the south by the Turtle Mountain uplands, on the east by the headwaters of the Pembina River system and Pelican Lake and on the west by the historic Souris River. The District is a unique mix of glacial uplands surrounded by a flat intensively farmed till plain. Several intermittent streams, small lakes and potholes characterize the landscape. The upland areas include native mixed grass prairie and deciduous woodlots, while annual cropping predominantly influences the plains. Located in the center of the District is Whitewater Lake, a huge wetland area renowned throughout North America for its natural biodiversity and importance for migratory birds. This mix of topography and natural resources gives rise to many of the activities and programs of the TMCD.

Members of the TMCD include the Rural Municipalities of Arthur, Brenda, Cameron, Morton, Turtle Mountain and Winchester and the Towns of Boissevain, Deloraine, Killarney, and the Village of Waskada. The area represented by these Municipalities is further divided into six watershed Sub-Districts.

The Province of Manitoba, through Manitoba Water Stewardship, is the major supporting partner for the Program, together with a host of cooperating agencies and various departments of government at all levels. The interaction, cooperation and support of local landowners and producers is, however, the cornerstone of the Program, resulting in a sound, well supported Program of sustainable resource management for a very unique region of Manitoba.

TURTLE MOUNTAIN CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#58 – Wakopa Creek	Myna Cryderman	Boissevain
#59 – Upper Pembina	Brian Hammond	Boissevain
#65 – Waskada Creek	Keith Hannah	Waskada
#66 – Medora Creek	Gord Weidenhamer	Deloraine
#67 – Chain Lakes	Murray Dillabough	Deloraine
#68 – Elgin Creek / Whitewater Lake	Greg More	Elgin
Provincial Appointee	Murray Combs	Deloraine
Board Chairperson	Richard Sexton	Deloraine

Summary

The District is proud to have completed its 32nd year of operation in the 2004-2005 fiscal year. The District implements many soil and water conservation programs in addition to wildlife habitat, education, fisheries, historic and heritage projects on the landscape in southwestern Manitoba. Priority programs continue to be soil and water conservation.

The District would like to acknowledge the support of all external partners that have provided either financial or technical assistance and look forward to continued support in the future.

TOTAL EXPENDITURES 2004-2005

Activity		Expenditure
Water Management		$160,770
Soil Conservation		$120,274
Wildlife		$49,945
Public Education and Extension		$91,669
Administration		$33,626
Equipment/Land		$18,324
Amortization		$26,231
Inventory		$1,880
	TOTAL	$502,718

For further details see Appendix L.

Water Management

Over the past year, six watershed Sub-Districts delivered a diverse list of Program activities.

- **Abandoned Well Sealing Program** – A total of 21 abandoned wells were sealed in the District.
- **Remote Watering System Program** –The District assisted 6 producers with the establishment of remote watering systems.
- **Small Water Storage Program** –One new dam was constructed and repairs were completed at 24 existing dams.
- **Grassed Waterway Program** –Two grassed waterway projects were re-established in the District.
- **Stone Crossing Program** – Three crossings were established or repaired on intermittent creeks to allow for improved landowner and/or livestock access.
- **Creek Maintenance Program** – 40 km of natural waterways were mowed to facilitate the orderly flow of water and reduce flooding damage.
- **Creek / Lakeshore Stabilization Program** – Two projects were completed on shoreline banks that were susceptible to erosion.
- The Chain Lakes Sub-District continues to implement a planned grazing demonstration at the Adair Dam property. The Sub-District also has a solar-powered remote watering demonstration system that was used by 2 landowners. A total of 3 producers ploughed shallow burial pipe for livestock watering and the water pump was used by 14 producers.
- Preliminary investigations were completed to determine the feasibility of increasing the storage capacity of Chain Lakes. The District also contracted the services of an engineering company to identify potential water storage sites in the Medora Creek and Waskada Creek Sub-Districts.
- The District has continued to work towards completing a watershed management plan for four sub-watersheds (East Souris River Integrated Watershed Management Plan) which will help direct activities in the future. The re-alignment of the western boundary of the TMCD was finalized and implemented by the District, the West Souris River Conservation District and the R.M.'s of Arthur and Cameron in the 2004-2005 fiscal year.
- The TMCD has been involved with the Pembina River Basin Advisory Board, South West Manitoba Water Development Team and the Tri-Lakes Development Group which are local stakeholder groups working to address the goals of the local members.

- A portion of expenses and remuneration of Board and Sub-District members was covered through the Water Program.

Soil Conservation

- **Forage Seed Assistance Program** – This Program allowed landowners the option to purchase forage seed of their choice through a local seed retailer and the District provided financial assistance on a portion of the cost. Through the Program the District provided assistance to 83 producers which assisted with the establishment of 1,504 ha of forage. The assistance provided to producers in many cases was only a portion of the total cost of seeding the land to forage.
- **Shelterbelt Program** – This consists of the establishment of shelterbelts and tree plantings. A total of 23 km of trees were planted throughout the region. Plastic mulch was applied to the shelterbelts established to assist with weed control in the belts. The district also implemented a maintenance component on 16 km of new shelterbelts which consisted of grass seeding, mowing and basic weed control.
- The District is also actively involved in assisting with the maintenance of the Boissevain Tree Nursery and planted replacement trees at the Boissevain Health Centre. Tree planting projects were conducted along the Deloraine Reservoir and Killarney Lake to enhance the riparian area.
- **Rotational Grazing Program** – This Program provides assistance to producers who construct interior fencing to improve livestock distribution. One producer in the District received assistance to improve their grazing management systems.
- With the support of Ducks Unlimited Canada, the District distributed 118 ha of forage seed for salinity barriers to 30 landowners. The District also developed a new salinity seed program and bulk ordered seed for producers. Specialized seeding equipment included the Tye grass drill which was used by 13 producers (93 ha), and various broadcast seeders. One project was initiated through funding from the Manitoba Forage Council to demonstrate how portable windbreaks could be used to winter livestock on the range.
- A portion of expenses and remuneration of Board and Sub-District members was covered through the Soils Program.
- The District provides a variety of Soil Conservation Programs for landowners to encourage the sustainable use of land, and the conservation of soil resources throughout the District. As the variability in precipitation continues across the prairies and throughout the District, it will be critical that landowners implement land-use practices that protect soil resources from the elements.

Wildlife

- Habitat Development and Protection Programs during this fiscal year included one habitat lease paid for by Ducks Unlimited Canada. The District also signed a partnership with the Manitoba Habitat Heritage Corporation to cooperate on the establishment of conservation agreements to permanently secure wetlands and uplands in the Turtle Mountains.
- Through funding provided by the Manitoba Conservation – Sustainable Development Innovations Fund, two summer students were hired to reassess all undeveloped road allowances in the R.M. of Morton that were protected through the Conservation Corridor Program.
- Fisheries and Oceans Canada provided funding for fisheries and riparian interpretive signs along Killarney Lake. A display with similar information was also prepared that is designed to raise awareness about fish and fish habitat resources in the District. The District cooperated with the Pembina Valley and Tiger Hills Conservation Districts to secure the services of a fisheries consultant who conducted a fish habitat assessment on the Pembina River system through funding from the Healthy Waters Program.

- The on-going aeration project in the Derksen – Heide Reservoir near Boissevain has been the responsibility of the District. The District has been involved with other local partners in promoting Whitewater Lake as an Important Bird Area and co-hosting the Whitewater Lake Bird Festival.
- The District administered funds from Manitoba Agriculture, Food and Rural Initiatives – Covering New Ground Program for plant identification training for technical personnel focusing on riparian program delivery in Manitoba.
- A portion of expenses and remuneration of Board and Sub-District members was covered through the Wildlife Program.

Public Education

The TMCD is active in delivering a diverse Public Education Program.

- The "Conservation in the Classroom" Program involves all schools in the District and assists with field trips, operational supplies for greenhouses and the Melita School Environmental Club. The TMCD also supports the purchase of conservation publications, books, and other materials related to conservation and sponsoring the Green Kids educational play. Funding for the "On the Go" Educational Interpretive Program was also provided to all schools in the District.
- Public interpretive areas remain a priority of the District at the Metigoshe Natural Area, Newcomb's Hollow and other properties owned by the TMCD. Newcomb's Hollow has become an attraction for tourists wishing to view the historic Boundary Commission Trail. The District also continues to support the Whitewater Lake Wildlife Viewing Center that is a destination for birders from around the world.
- TMCD staff provides extension services to many residents of the District. Many inquiries are made by local residents on a daily basis through calls made into the office, calls out, visitors to the office and field visits. Riparian and Salinity workshops were held to help improve the level of awareness and potential management options to help address these issues.
- TMCD held an annual banquet to inform the public and partners of annual activities and a property dedication coincided with this event at the Bill Poole property.
- The Gerald and Margaret Whetter family from Hartney were the TMCD Conservation Farm Family who represented the District at the annual Manitoba Conservation Districts Association convention.
- The District is involved in the promotion of Programs through merchandise, project signs, the Southwest Currents newsletter (co-operative effort of four southwest Manitoba CD's), TMCD website, advertisements in weekly newspapers and in the annual agricultural supplement as well as numerous articles that inform the District residents of Program activities.
- In an effort to secure an increased amount of external funding the District purchased a membership to a fundraising database. The TMCD Board and staff completed a strategic plan to help direct District activities in future. The efforts on the strategic plan complement the work completed on the East Souris River Integrated Watershed Management Plan.
- A portion of expenses and remuneration of Board and Sub-District members was covered through the Education Program.

Administration

The Administrative Program provides for a portion of salaries and expenses for staff, rent and miscellaneous operating costs.

The District also takes advantage of external human resource support wherever possible through Programs such as the Hometown Green Team.

A portion of expenses and remuneration of Board and Sub-District members was covered through the Administration Program.

Assets

Additions to the equipment list included various tools for the works crew; layflat hose for the water pump, office chairs, a desk and laptop computer. The inventory list consists of plastic mulch and grass seed. All landscaping has been completed to the District storage area.

EXTERNAL FUNDING

Program/Partner	Funding
Fisheries and Oceans Canada – Stewardship in Action	$7,500
Ducks Unlimited Canada	$5,779
Agriculture and Agri-Food Canada – Rural Water Development Program	$3,453
Manitoba Forage Council	$1,300
Manitoba Conservation – Sustainable Development Innovations Program	$15,620
Canadian Nature Federation – Important Bird Areas	$2,000
Municipal Grants – Important Bird Areas	$1,880
Manitoba Agriculture, Food and Rural Initiatives – Agricultural Sustainability Initiative	$2,067
Manitoba Hometown Greenteam	$6,852
Manitoba Hydro – Forest Enhancement Program	$300
Municipal Grants / Landowner – Canada Creek	$6,969
Landowner	$21,838
Interest and Investment	$5,588
Total	$81,146

Additional in-kind contributions were provided by: Manitoba Agriculture, Food and Rural Initiatives, Manitoba Conservation, Manitoba Energy Mines, Manitoba Crop Insurance Corporation, Environment Canada, Agriculture and Agri-Food Canada, Fisheries and Oceans Canada, Ducks Unlimited Canada, Manitoba Habitat Heritage Corporation, Manitoba Agro Woodlot Program, Manitoba Water Services Board, Manitoba Water Stewardship – Conservation Districts Program.

Turtle River Watershed Conservation District

Introduction

The Turtle River Watershed Conservation District #2 (TRWCD) incorporated in 1975, includes approximately 235,000 ha of land located between the Riding Mountain Escarpment and Lake Dauphin. The District boundaries are based on the entire sub watersheds of the Hansen Creek, Turtle and Ochre Rivers. The district consists of all or parts of the Rural Municipalities of Dauphin, Ochre River, Ste. Rose, Lawrence, Alonsa, McCreary, and Rosedale, as well the Town of Ste. Rose and the Village of McCreary.

TURTLE RIVER WATERSHED CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#44 - Upper Turtle River	Dave Smith	McCreary
#45 - Lower Turtle River	Paul Brunel	Ste. Rose
#46 - Ochre River	Joe Felix	Ochre River
Board Chairperson	Paul Brunel	Ste. Rose
Provincial Appointee	Denis Maguet	Ste. Rose

Summary

The District continued to place emphasis on the maintenance of agricultural drainage channels and crossings.

In Water Management, the District proceeded with numerous legal surveys and land acquisition right of way payments. The District successfully maintained approximately 105 km of agricultural drains through brushing, spraying, clean-outs and reconstruction. Six erosion control structures were repaired along various drains and creeks as well as two other sites identified needing structures, 2 heavily eroded stretches of stream bank were stabilized. Numerous crossings underwent extensive repairs and 10 new crossings were replaced and/or reconstructed. Five (5) abandoned wells were filled and sealed.

In the Soils Program, two sites were addressed under the plastic mulch/shelterbelt program. In partnership with the Ste. Rose Ag Group, the TRWCD installed 5000 feet of pasture pipeline utilizing a pipeline plow to bury the pipe 18 inches underground. Approximately 182 ha of erosion prone agricultural land was seeded into forages, and over 1000 trees were planted to stabilize erosion prone streambanks.

The TRWCD also through the public education and extension program honored the 2004 TRWCD Farm Family Award recipient Trickle Creek Cattle Company – Gordon & LesLee Muir of McCreary.

TOTAL EXPENDITURES 2004-2005

Activity	Expenditure
Program Management	$66,639
Public Education	$58,312
Wildlife/Fisheries	$15,242
Soil Management	$8,063
Water Management	$295,207
Crossings	$89,942
Other (Inventory Purchases, Office Supplies, Vehicles, Miscellaneous)	$90,177
TOTAL	$623,582

For further details see Appendix M:

Water Management

- The District continues to finalize outstanding right of way issues that included payments for land acquisition, processing fees, legal fees, landowner tax repayments, and interest which has been compounding annually for several years.
- In addition to regular vegetative maintenance by mechanical brushing and spraying on various agricultural drainage channels, work under this component included minor repairs, seeding and leveling of 2003 works on the West Hansen. Moriaux, Tityk, and Crawford Creek. General/minor drain works were completed on a number of areas with major upgrading works being undertaken on the Delaurier, Rank, Mostoway,PTH #50, and West Bennet Drains. A total of approximately 105 km of drains were maintained in the 2004 works season.
- Extensive beaver management expenditures occurred through remedial actions associated with beaver activity in agricultural drains and TRWCD right of way approximately $20,000.00 annually.
- Annual spring icing problems were also addressed and included culvert reinstallation, de-icing, and erosion repair and debris removal. In partnership with Manitoba Habitat Heritage, a riparian are along Lake Dauphin was fenced off from cattle access.
- In addition to the extensive crossing maintenance repair program, 30 sites were repaired/upgraded and maintained throughout the works season. The District completed updating an overall inventory of all the crossings and drains within the District to be included in the Management Plan for the District.

Soil Conservation

- The District continued its buffering initiative to encourage producers to seed down forages along District drainage channels. The TRWCD provides 50/50 cost sharing to producers, in the future if there is reoccurring problems along specific drains the TRWCD will only consider works if the landowner agrees and maintains a buffer strip along the drain.
- Two (2) producers showed interest in the grassed waterway program to seed down the natural waterway preventing further soil erosion caused by water runoff.
- Annually District Rural Municipalities contract the TRWCD to seed road allowances along newly constructed roads preventing erosion.
- Two (2) shelterbelt mulch application sites were addressed this past fiscal year.

Multiple Resource Projects/Recreation

- The district in partnership with Nature Conservancy of Canada (NCC) is finalizing the purchase of 130 ha of land in the area north of the current Alluvial Fan. The TRWCD feels that over time the fan may expand northward thus this land would be saved. The TRWCD also conserves and maintains its other 971 ha of multi resource land. In partnership with Manitoba Habitat Heritage Corporation the district has helped to preserve the area at the mouth of the Turtle River as a Riparian project, as well as some lake shore along Dauphin Lake.

Wildlife/Fisheries Projects

- A one-time payment of $300 is offered to local landowners under the Wildlife Incentive Program in return for leaving private land untouched for wildlife and other conservation benefits. To date, a total of approximately 540 ha of wildlife habitat have been co-operatively set aside.
- The district once again continued a trout-stocking program in two local ponds in the RM's of Ste. Rose and McCreary.

Public Education and Extension

- The TRWCD Conservation Farm Family in 2004 was Gordon and LesLee Muir of The Trickle Creek Cattle Company in the McCreary area.
- The TRWCD also actively participated in the National Soil Conservation, Forestry, Wildlife and Environment Week in such activities as:
  - Trees were distributed in partnership with PFRA,
  - Various posters and presentations were completed, and
  - Farm Safety Camp Sponsorship
- The TRWCD also supports many community efforts by supplying various promotional items. The District maintains a comprehensive, up-to-date inventory of slides and pictures of all District initiatives for educational purposes and is actively involved in community fairs, various summer events and hosts an Annual Banquet to inform the public on the many projects and partnerships.

Administration and Program Support

Administrative costs include staff salaries and expenses; Board and Sub-District Member remuneration (19 members); rent; and office operation costs. The District office staff is maintained at 2 full-time, 1 part/full time, 1 part-time project consultant and 1 part time surveyor. The TRWCD also employs 3 full-time seasonal works crew and with the assistance of the Summer Career Placement Program and the Hometown Green Team Program, 2 summer students are hired to assist with many district initiatives.

Upper Assiniboine River Conservation District

Introduction

The Upper Assiniboine River Conservation District (UARCD) was established in 1996. The watershed is roughly rectangular and is bordered by Riding Mountain National Park in the north, Virden in the south and from the provincial border with Saskatchewan in the west and the Town of Shoal Lake in the east. The watershed covers an area of approximately 2,449 square kilometers.

UARCD includes the Rural Municipalities of Rossburn, Ellice, Birtle, Shoal Lake, Archie, Miniota, Hamiota, Wallace, and Woodworth as well as the Towns of Rossburn, Birtle, Shoal Lake, and Hamiota. The district is divided into 11 watersheds or Sub-Districts with a total of 64 Sub-District members representing the watersheds.

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#72 Upper Oak River	Johnny Michasiw	Shoal Lake
#73 Lower Oak River	Bruce Cochran	Hamiota
#73A Lower Assiniboine River	Robert Alexander	Lenore
#75 Boshill Creek	Bill McQuaker	Virden
#74 Minnewasta Creek	Rusty Still	Isabella
#74A Arrow River	Theresa Michalchuk	Shoal Lake
#77 Birdtail River	Ron Kostesky	Rossburn
#78 Snake Creek	Bill Stewart	Foxwarren
#78A Wythes Niso	Ron Bryant	Miniota
#78B Qu'Appelle River	Guy Huberdeau	St. Lazare
#78C Brennand/Scissor Creek	Robbie Craig	McAuley

Summary

The UARCD experienced a progressive year. The district assisted landowners with 289 separate conservation projects, making 2004-2005 the most active year in the history of the CD. Staff were also able to focus on education programming, promotional activities, strengthening both awareness and relationships around the watershed. UARCD worked hard to coordinate with other provincial agencies to increase the local knowledge of strategies, initiatives, programs and opportunities available to landowners.

TOTAL EXPENDITURES 2004-2005

Activity		Expenditure
Water Managemen		$129,900
Soil Management		$41,484
Public Education/Extension		$73,647
Program Manageme t		$34,575
Wildlife		$6,162
Assets		$83,809
Board Truck Expense		$4,555
	TOTAL:	$ 374,132

For further details, please refer to Appendix N.

Water Management

The primary goal of the UARCD water management program is to improve water quality in both ground water and surface water resources. During the course of the year these programs included:

- Sealing 48 abandoned wells;
- Assisting with 13 alternative livestock watering projects;
- Constructing three new small dams;
- Repairing two dams;
- Assisting six landowners in installing pipeline designed to provide remote water from a variety of applications;
- Purchasing an aerial photo data base for the watershed

Soil Conservation

The conservation district offered the following programs to sustain the soil resource:

- Riparian management funding;
- Rotational grazing funding and plans (six landowners);
- The saline seed program (funded by Ducks Unlimited) (21 landowners provided with seed) (113.12 ha of problem saline areas sown to permanent cover);
- Forage seed program (11 landowners transformed marginal land to more sustainable permanent cover);
- Winter cereals (three landowners enrolled over 100 ha of cropland); and
- Shelterbelts (25 landowners) (over 32,000 meters of new shelterbelts and 4,000 replants).
- Soil conservation projects were implemented with the assistance of 79 co-operating landowners in the conservation district.

Wildlife and Habitat Programs

As outlined in our recently completed Management Plan and Five-Year Plan, the board recognizes wildlife management as one important aspect of watershed management. However, the board will not take the lead role in wildlife or habitat programs, but will instead assist agencies whose primary mandate are wildlife and habitat programs.

Following this directive, the board continued our conservation partnerships with Ducks Unlimited and Delta Waterfowl.

Public Education and Extension Services

The board has committed to a public education and extension strategy for residents of the watershed. In fact, during the workshops for the Five-Year Plan, educational programs were identified as the most important component of district programming. Area schools and the education of landowners have been identified as a key component of this strategy.

Education projects included:

- Conservation in the Classroom which is a tree planting education seminar for area students that reached every school in the district. This was sponsored by Manitoba Hydro.
- The board participated in several educational days throughout the district, including four Managing the Waters Edge seminars.
- Partial funding was received by Covering New Ground in order to purchase one new remote watering system for demonstration purposes as well as two portable electric fence systems to demonstrate current technology used to improve grazing utilization.
- Two newsletters describing district activities were published and bulk mailed to all mail boxes within the watershed.
- Two demonstration days highlighting winter watering systems were showcased.
- The district held its annual youth speaking competition. Jolene Hodgins won our district award and went on to win the provincial competition held at the MCDA annual convention.
- The UARCD awarded Mike Huybrecht and family the annual Conservation Family Farm designation. Articles appeared in the Virden Empire Advance, Crossroads, and Russell Banner.
- A forage plot with several different varieties of trees was maintained in the Minnewasta Sub-District.
- Project Wet educational activities were held at five schools throughout the district.

External Funding

Several conservation agencies partnered with the district on projects during 2004-2005. They were:

Program/Partner	**Funding**
Ducks Unlimited Canada	$5,594
PFRA (Rural Water Development Program)	$2,603
PFRA (Water Supply Expansion Program)	$2,048
Agriculture Sustainability Initiative	$4,500
Fisheries Enhancement Initiative	$6,635
Chevron Texaco	$4,000
Green Team	$4,340
Manitoba Hydro - Forestry Enhancement Fund	$4,585
Critical Wildlife Habitat	$33
Manitoba Habitat Heritage	$819
Hometown Green Team	$4038
Registered Charity Gas Rebate	$163
TOTAL:	$39,355

Administration

This program includes staff salaries and expenses, remuneration for board and sub-district members, rent and other operating costs. Staffing remained unchanged during 2004-2005.

West Souris River Conservation District

Introduction

The West Souris River Conservation District (WSRCD) was officially incorporated as Manitoba's seventh Conservation District on January 1, 1995. Expansion of the district on April 1, 1999 added the Rural Municipality of Cameron to the original membership of Albert, Edward, Pipestone and Sifton municipalities. A second expansion in April, 2002 brought part of the Rural Municipality of Wallace into the district. A total of seven sub districts were formed on the basis of the watersheds of several creeks within the district. Boundary alignment with the Turtle Mountain Conservation District (TMCD) in 2004 saw the Souris River utilized as the boundary between the two districts. Six sub districts now make up WSRCD. The West Souris River Conservation District (WSRCD) now covers approximately 4208 square kilometres (1625 sq. miles) of south western Manitoba.

Communities in WSRCD face numerous challenges in sustaining long-term productive use of their natural resource base. District programs have been designed to locally manage soil and water resources in the area.

WEST SOURIS RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#98 - North Pipestone/Sifton	Richard Thiry	Oak Lake
#62 – Pipestone/Plum Creek	Alex Grieve	Virden
#63 - Stony Creek	Lloyd Atchison	Pipestone
#64 - Jackson/Graham Creek	Perry Hendry	Tilston
#65 - Gainsborough/South Antler	Tim McMechan	Lyleton
#67 - Central Souris River	Gordon White	Hartney
Board Chairperson	Gregg Fotheringham	Reston
Provincial Appointee	Vacant	

Summary

Partnerships for program delivery were formed with many agencies including Ducks Unlimited Canada (DUC), Manitoba Habitat Heritage Corporation (MHHC), Fisheries Enhancement Initiative (FEI), Rural Water Development Program (RWDP), Prairie Farm Rehabilitation Administration (PFRA), Manitoba Water Services Board and Natural Resources Canada.

WSRCD initiated a watershed planning process involving stakeholders from within the district's six sub districts as well as agency staff from outside the district. The process resulted in a draft plan which will be reviewed by the public before finalization.

WSRCD continued to deliver a strong water management program through a wide array of projects aimed at water quality and quantity. Water quality testing of ground and surface water sources, as well as the sealing of old wells continued. Water quantity and quality issues for livestock again brought about strong interest in the pasture pipeline plough and the use of alternative water systems for livestock.

Soils programs consisted of forage demonstrations and shelterbelt planting.

Numerous partnerships enabled WSRCD to deliver a well rounded educational program. New to the district's educational program were the World Water Monitoring Day activities that involved 150 students.

WSRCD and TMCD rationalized their boundary using the Souris River as the boundary between the districts. The Municipalities of Cameron and Arthur were involved in the realignment with part of each now being in both districts.

WSRCD continued to meet with their Saskatchewan neighbours through the watershed planning processes taking place in both provinces.

TOTAL EXPENDITURES 2004-2005

Activity	Expenditure
Water Management	$181,811
Soil Management	$58,614
Public Education	$72,564
Wildlife	$ 7,911
Administration	$29,995
Assets	$20,301
TOTAL	$371,196

For further details, please refer to Appendix O.

Water Management

The protection, development and wise use of ground and surface water sources are the foundation of the WSRCD water management programming. The following programs and initiatives were implemented in order to meet the District's goal of ensuring water quality and quantity for district residents:

- Sealing of 15 old wells
- Assistance on the development of 16 new farm wells
- Provided bottles to residents for water chemistry testing on private wells
- Continued surface water quality testing on all creeks in district
- 15 referrals made to Manitoba Water Services Board for off site watering and other water development projects
- 12 km of water lines were installed with the pasture pipeline plough to alleviate water shortages for 7 livestock operations
- Manager and Board members continued to take active roles in management of the Oak Lake Aquifer through their representation on the Oak Lake Aquifer Management Advisory Board (OLAMAB)
- Actively participated in the Southwest Manitoba Water Development Team
- Submitted proposal to DFO for continuation of the removal of dead elms from along Pipestone Creek. Delay in DFO authorization left proposed work undone.
- One feedlot diversion project was completed.
- Six riparian projects aimed at creek bank and lake shore protection were completed with offsite watering and riparian fencing.

- Maintained contact with Saskatchewan regarding watershed planning and attended meetings and tours in Saskatchewan
- Initiated watershed planning. Five public meetings were held to facilitate the development of a community driven watershed plan.

Soil Management

WSRCD continued to deliver a scaled-down soils program in comparison to earlier years. Soils programs consisted of the following activities:

- Managed grazing systems were developed using recommended techniques for 1 farm
- 10.5 km of new shelterbelts were planted and maintenance continued on more than 20 km
- 225 ha of blended clover was planted by 20 producers through a partnership with DUC
- 80 ha of salinity forage was planted by 20 producers through a partnership with DUC.
- Leafy spurge detection using remote sensing and satellite imagery was researched by WSRCD technician

Public Education and Awareness

WSRCD expanded education and awareness programs to residents through youth programs as well as through demonstrations and tours for producers. As in the past, many other agencies offered financial or technical support for our education programs that included:

- Environmental education projects and programs with six schools that included Classroom Conservation, shelterbelt education, aquatic studies, and the Oak Hammock Marsh Interpretive Centre's "On the Go Program"
- The Clean Stream Team Program (CST) included students Oak Lake, Reston, Hartney and Pierson schools. Projects were implemented along the Gainsborough and Pipestone Creeks and the Souris River making improvements that included grazing management, riparian fencing and pasture pipeline.
- World Water Monitoring Day events were promoted in all schools and involved 150 students
- Staff were invited to judge science fair projects at Oak Lake and Pierson schools
- Forage plot showing over 30 grasses and legumes was maintained
- The Wilkinson and Ettontti families of Five T Lands were selected as the Conservation Families
- Shelby Wray was selected as the district's Youth Speaker
- A number of news articles were written about, or, submitted by the district, for local papers
- Guided tours of the Canupawakpa Nature Trail with students from Reston Elementary School.
- Assisted with tree planting at Canupawakpa Nursery School
- A project to demonstrate the use of satellite imagery in the detection of Leafy Spurge was carried out in the RM of Cameron. Presentations relaying the findings were given to Brandon University and Manitoba Weed Supervisors by GIS Technician
- Co-presented with Saskatchewan Watershed Authority at Canadian Water Resources Association conference on topic of Trans Boundary Cooperation in Watershed Planning
- Manager volunteered at the Amazing Ag Adventures in Brandon
- Co-hosted Managing the Water's Edge workshop with TMCD

Wildlife

- WSRCD cooperatively delivered a number of programs beneficial to fish and wildlife. These included:

- Participation in the Mixed Grass Prairie Grazing Demonstration. This project, initiated by wildlife agencies in the province to show the benefits of rotational grazing native grasslands for the good of wildlife and increased livestock productivity, was in its final year.
- Distribution of salinity forage and blended clover mixes to producers as part of the DUC Habitat Conservation agreement
- Board resolved to discontinue their participation in the aeration program at Oak Lake due to ineffective results. Priority will be given to watershed based programming upstream to protect and improve water quality.

Administration

Administrative costs included office staff salaries, reimbursed expenses and office / shop operation costs. Several administrative changes took place during 2004-2005. These included:

- Rationalization of eastern boundary with TMCD to Souris River
- Watershed planning process evaluated current programs and set out goals and actions for future programming
- Dean Brooker left the employ of WSRCD and was replaced by Chelsea Driedger

Project Management

Project support costs consisted of equipment maintenance and leases, remunerations for the Board and Sub-District members and salaries for technical support staff and program coordination and planning.

External funding

Many new and existing partnerships with government, non-government and private agencies provided additional funding or assistance to deliver valuable resource management projects in WSRCD.

TOTAL EXTERNAL FUNDING 2004-2005

Partner/Program	Funding
Manitoba Agricultural Sustainability Program	$6,707
Ducks Unlimited	$4,110
Fisheries Enhancement Initiative	$15,010
Province of Manitoba – Manitoba Water Stewardship Branch	$198,407
Province of Manitoba – Water Services Board	$5,000
Rural Water Development Program	$30,277
Sustainable Communities Initiatives Fund	$11,315
TOTAL	$270,826

Additional contributions through technical assistance and in kind services were provided by: Manitoba Water Services Board, Manitoba Crown Lands, Manitoba Agriculture and Food, Rural Water Development Program, Manitoba Conservation, Prairie Farm Rehabilitation Administration, Ducks Unlimited Canada, Manitoba Conservation Districts Program and Manitoba Agro Woodlot Program.

Whitemud Watershed Conservation District

Introduction

The Whitemud Watershed Conservation District (WWCD), incorporated in March 1972, includes approximately 711,495 ha extending from Carberry north to Kelwood, and from Portage Diversion west toward Minnedosa.

The area includes portions of 15 municipalities and 3 towns. There are 8 Sub-Districts, determined by the drainage basins of the major tributaries of the Whitemud River. There are 67 Sub-District Members who act in an advisory capacity to the main Board, with each committee chairperson sitting on the Board.

WHITEMUD WATERSHED CONSERVATION DISTRICT
BOARD MEMBERS 2004-2005

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#35 - Rat Creek	Tom Tunski	Rossendale
#36 - Westbourne Drain	Bill Wieler	MacGregor
#37 - Squirrel Creek	Minnie Parynuik	MacGregor
#38 - Pine Creek	Roy McConnell	Gladstone
#39 - Upper Whitemud	Wayne Csversko	Neepawa
#40 - Boggy Creek	Wes Pankratz	Minnedosa
#42 - Big Grass Marsh	Einar Sigurdson / Doug Popkes	Lakeland / Arden
#43 - Big Grass River	Danny Post	Waldersee
Provincial Appointee	Bud G. Johnson	Neepawa
Board Chairperson	Robert Rodgers	MacGregor

Summary

The WWCD continued to pursue efficiencies and cost savings within its program in 2004-2005. The District staff component was reduced as well as modifications to program delivery to allow more projects at a lessened cost. Savings were found in the administration of the soils and wildlife programs, and infrastructure management.

After 28 years on Sub-District #42 and 25 years on the Main Board, Einar Sigurdson retired. Mr. Sigurdson was instrumental in the establishment of the District.

The District continued to place a large emphasis on water management in 2004-2005. The District surveyed and drew plans for the establishment of five backflood projects covering over 5½ sections.

In the Water Control Program, 1040 km of drainage channels were mowed, 18.4 km of drains were reconstructed, 17 grassed runways were completed, and 11 Creek Fencing Projects to improve riparian areas were constructed. Seventy-three bridge and culvert crossings were repaired and 34 crossings were replaced.

The District also replaced 5 crossings and repaired 2 under the terms and conditions of the MOU on PR/PTH crossings.

Soil Conservation initiatives saw 29 landowners seed down 1,017 ha of erosion risk soils to forages and 23 km of field shelterbelts planted. Rosling Farms (Harold and Bruce) won the Conservation Farm Family Award.

Shelterbelt Awards were presented to Rosling Farms, Schmidt Farms and MacDonald Farms.

The District sponsored a number of conservation education initiatives with area schools, highlighted by the "Johnny Appleseed" Program which provided 240 apple trees to Grade 5 students in 27 area schools.

The Whitemud Watershed Conservation District received over 3,000 calls and met on-site with over 500 residents of the District in 2004-2005.

TOTAL EXPENDITURES 2004-2005

Activity		Expenditure
Administration		
Program Support / Planning		$34,065
Office Operation		$45,717
Assets		
Infrastructure Reserve Account		$101,975
Public Education		$92,265
Soil Conservation		$71,916
Wildlife & Fisheries		$34,066
Water Management		
Maintenance		$407,380
Water Retention		$925
Drainage Management Project		$17,716
Surveys		$6,095
Crossing		
Repairs		$101,808
Replacements		$98,479
PR/PTH		$13,041
	TOTAL	$1,025,448

For further details see Appendix P.

Water Management

The District's Water Management Program includes the responsibility for the maintenance and reconstruction of 1,760 km of man-made drains. It also includes the repair and replacement of bridges and culvert crossings (1,265 in total). Other water management activities include construction of grassed runways to prevent soil erosion, small dam construction to store water, shale trap installation to prevent channel sedimentation and gully stabilization projects. The District completed water quality sampling of tile drainage sites in partnership with Manitoba Conservation.

The District and Province continued to partner on drainage licencing within the Drainage Management Project with 66 files resolved. The District also advanced its Water Retention Concept in 2004 by surveying and designing 5 potential sites for backflood projects.

Each Sub-District implemented one or more specified Projects within its area. They are as follows:
Sub-District #35:

- Two crossings replaced.

- Maintenance on 4 crossings.
- Beaver dam program.
- Re-shaping done on Rat Creek, Adam and Wolfe drains.
- Maintenance on 3 shale traps.
- Mowing and spraying maintenance.
- Surveys obtained on 2 other district projects by Province of Manitoba.
- A water retention study obtained for a Rossendale project.

Sub-District #36:

- Maintenance on 7 crossings.
- One crossing replaced.
- Survey on 4 other district projects.
- Re-shaping done on Image Creek.
- Mowing and spraying maintenance.
- Two runway projects worked on.

Sub-District #37:

- Maintenance done on 5 crossings.
- Control of leafy spurge and small shrubs.
- Three crossings replaced.
- Re-shaping maintenance on N 25,26-11-12W, Orangeville Drain, and Austin Drain.
- Mowing maintenance.
- Surveys on 2 other district projects.
- Constructed 2 gradient control structures.

Sub-District #38:

- Maintenance on 7 crossings.
- Beaver dam program.
- Control of leafy spurge and small shrubs.
- Mowing maintenance.
- Two crossings replaced.
- Maintenance on a small retention project.
- Re-shaping on Campbell Drain, 4th Base Drain. Partner with RM's bank stabilization.

Sub-District #39:

- Maintenance on 8 crossings.
- Control of leafy spurge and small shrubs.
- Six runways worked on.
- Beaver dam program.
- Mowing maintenance.
- Bank Stabilization on Eden Creek.
- Hand brushing on 2 district projects. Partnered with SD #42 on a major mechanical brushing project.
- Surveys obtained on 2 other projects.
- One PR/PTH crossing replaced.

Sub-District #40:

- Worked on 8 runways.
- Maintenance on 3 crossings.
- Mowing maintenance.
- Beaver dam maintenance.
- Brookdale Drain re-shaping completed.
- Survey obtained on 2 other drains.

Sub-District #42:

- Maintenance on 17 crossings.

- Control of leafy spurge.
- Twelve crossings replaced.
- Cleanout on PR567, Gopher, Collins and Paramor drains.
- Mowing maintenance.
- Beaver dam program.
- Surveys obtained on another 7 drains for proposed works.
- Bank stabilization on Cross Ditch.
- Working on alternate access, when existing structure is to be rationalized.
- Purchase additional land for alternate access.
- Stone picking in drains was undertaken.

Sub-District #43:

- Maintenance on 22 crossings.
- Mowing, small shrub spraying and hand brushing.
- Fourteen crossings replaced.
- Cleanout of Walker, Kelwood, Glencairn, Turko, Glenella, Big Grass, Gork and Jumping Deer drains.
- Beaver dams removed.
- Maintenance on 3 shale traps.
- Finish 2" x 4" top on bridge deck.
- Surveys obtained on another 6 proposed works.
- Four PR/PTH crossings replaced.
- Two PR/PTH crossings repaired.
- One runway worked on.

Soil Conservation

- There were 532.39 ha seeded to forage under the Forage Assistance Program by 29 landowners.
- There were 23 km of new tree plantings including field shelterbelts, wildlife tree plantings and block tree plantings. There were 67 km of shelterbelt weed control completed. Shelterbelt Awards were presented to Rosling Farms, Schmidt Farms and MacDonald Farms. A new partnership with Tiger Hills Conservation District (THCD) was struck in which the WWCD plants trees for THCD who in turn seal abandoned wells on behalf of the WWCD.
- Seven "Healthy Streambanks" Projects were developed to promote livestock management and improve riparian areas within the Whitemud River Watershed.

Wildlife & Habitat Programs

- One new Wildlands Project was established and 15 signs replaced, as well as 30 Conservation Corridor signs replaced. Four riparian projects were completed in the Upper Whitemud Basin Study area. This study identified over 50 potential Projects to improve habitat, wildlife and farming practices along Stoney Creek, Boggy Creek and Brookdale Drain.
- The District established a new conservation fund with local money to purchase conservation interest within Conservation Agreements in partnership with Manitoba Habitat Heritage Corporation.

Public Education & Extension Services

- One hundred and ten Boy Scouts planted 4,000 trees south of Franklin.
- School plantings at Neepawa and Eden.
- Two hundred and forty Grade 5 students received a 5 foot apple tree.
- Whitemud Newsletter distributed to all households.
- District appeared in print media over 48 times.
- Utilized radio advertising for programs and promotion.
- Over 15 presentations/tours given.
- Conservation magazine subscriptions purchased for 12 school libraries.
- 33rd Annual Whitemud Bonspiel held.
- Met at least once with all 18 councils in district.
- Distribution of district placemats (20,000).

External Funding

The Board had an excellent year regarding cooperative partnership projects and external funding assistance. A summary is as follows:

Program/Partner		Funding
Hometown Green Team		$2,384
Fisheries Enhancement Initiative		$21,073
PR/PTH MOU with IGA		$13,041
MHHC		$9,600
MB Water Stewardship (survey)		$4,571
Farming For Tomorrow		$665
	TOTAL	$51,335

Administration

This Program includes staff salaries and expenses, remuneration for Board and Sub-District Members, rent and operating costs.

ALONSA CONSERVATION DISTRICT NO. 3

FINANCIAL STATEMENTS

MARCH 31, 2005

ALONSA CONSERVATION DISTRICT NO. 3

MARCH 31, 2005

CONTENTS

Page

AUDITORS' REPORT 1

FINANCIAL STATEMENTS

Balance Sheet 2

Statement of Changes in Net Assets 3

Statement of Revenue and Expenditures 4

Statement of Cash Flows 5

Notes to Financial Statements 6-7

Schedule of Grant Revenue and Project Expenditures 8

Schedule of Provincial Contributions 9-10

Schedule of Provincial Grant Receivable 11

THE EXCHANGE
chartered accountants LLP

AUDITORS' REPORT

To the Members of the Board
Alonsa Conservation District No. 3
Alonsa, Manitoba

We have audited the balance sheet of Alonsa Conservation District No. 3 as at March 31, 2005 and the statements of changes in net assets, revenue and expenditures and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2005 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Provincial Contributions presented by the District.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
June 24, 2005

ALONSA CONSERVATION DISTRICT NO. 3

BALANCE SHEET
AS AT MARCH 31, 2005

	2005	2004
ASSETS		
CURRENT		
Cash	$ 67,044	$ 74,473
Accounts receivable		
General	48,874	38,475
Province of Manitoba, page 11	2,595	531
	118,513	113,479
CAPITAL ASSETS, notes 2 and 3	8,232	11,503
	$ 126,745	$ 124,982
LIABILITIES		
CURRENT		
Unexpended grants, note 4	$ 83,483	$ 81,149
EMERGENCY RESERVE	20,000	20,000
	103,483	101,149
NET ASSETS		
INVESTED IN CAPITAL ASSETS	8,232	11,503
UNRESTRICTED	15,030	12,330
	23,262	23,833
	$ 126,745	$ 124,982

COMMITMENT, note 5

APPROVED BY THE BOARD:

_______________ Chairman

Edward Wazke _______________ Member

ALONSA CONSERVATION DISTRICT NO. 3

STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2005

	Invested in Capital Assets	Unrestricted	Total 2005	Total 2004
BALANCE, beginning of year	$ 11,503	$ 12,330	$ 23,833	$ 44,864
Excess (deficiency) of revenue over expenditures	(3,271)	2,700	(571)	(21,031)
BALANCE, end of year	$ 8,232	$ 15,030	$ 23,262	$ 23,833

ALONSA CONSERVATION DISTRICT NO. 3

STATEMENT OF REVENUE AND EXPENDITURES
YEAR ENDED MARCH 31, 2005

	2005	2004
REVENUE		
Province of Manitoba allocated grant	$ 242,064	$ 240,215
Municipal grants	80,000	80,000
Farmer assistance revenue	41,766	30,815
Grant revenue, page 8	59,557	80,273
Sundry	1,551	1,667
	424,938	432,970
EXPENDITURES		
Project expenditures, page 8	186,791	253,987
Board remuneration and expense	21,102	20,825
Other administration	25,732	33,898
Depreciation	3,271	3,435
MCDA dues	5,025	3,000
Soils	100,080	72,517
Public relations and education	15,479	15,376
Summer Career, Partners with Youth, and Green Team programs	30,008	23,248
Fisheries	39,734	18,263
Wildlife	5,850	13,995
GST recovered	(7,563)	(6,663)
Professional development	-	2,120
	425,509	454,001
DEFICIENCY OF REVENUE OVER EXPENDITURES	$ (571)	$ (21,031)

ALONSA CONSERVATION DISTRICT NO. 3

STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2005

	2005	2004
Cash flow from operations		
Cash received from provincial, municipal, and other grants	$ 381,891	$ 412,436
Cash received from other sources	32,918	43,166
Cash paid to projects, suppliers and employees	(422,238)	(450,566)
Cash flow from (used by) operations	(7,429)	5,036
Cash flow from investing activities		
Purchase of capital assets	-	(11,300)
Increase in Emergency Reserve	-	10,000
Cash flow from investing activities	-	(1,300)
INCREASE (DECREASE) IN CASH	(7,429)	3,736
CASH - beginning of year	74,473	70,737
CASH - end of year	$ 67,044	$ 74,473

ALONSA CONSERVATION DISTRICT NO. 3

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2005

1. NATURE OF ORGANIZATION

The District was established in February 1978. Its mandate is to provide soil and water management decisions on resource conservation and environmental awareness for the area along the western shores of Lake Manitoba.

2. SIGNIFICANT ACCOUNTING POLICY

The financial statements of the District have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(a) Depreciation

Depreciation on equipment is calculated on a straight-line basis at 15% and on the computer equipment at 25% per annum and prorated in the year of acquisition.

(b) Revenue recognition

The Province of Manitoba grant is recognized as revenue when the related expenses are incurred. Any excess or shortfall is shown as accounts receivable or accounts payable.

Municipal grants are recognized as revenue when received.

Other grants are recognized as revenue when the related expenses are incurred. If the related expenses are not incurred by the end of the year, the grant is deferred to future periods and shown as unexpended grants.

Farmer assistance revenue is recognized when earned if the amount can be determined and collection is reasonably assured.

3. CAPITAL ASSETS

	Cost	Accumulated Depreciation	2005 Net Book Value	2004 Net Book Value
Equipment	$ 63.160	$ 55.470	$ 7.690	$ 10.961
Computer hardware	10.542	10.000	542	542
	$ 73.702	$ 65.470	$ 8.232	$ 11.503

4. UNEXPENDED GRANTS

	2005	2004
Ducks Unlimited	$ 3.483	$ 3.483
Fisheries Inventory Project	-	11.000
Infrastructure Reserve Fund	80.000	66.666
	$ 83.483	$ 81.149

5. COMMITMENT

The District has entered into an agreement to lease a 2002 Dodge truck. This lease calls for monthly payments of $538 expiring March. 2006. Future minimum lease payments are $6,456 for the 2006 year-end.

6. FINANCIAL INSTRUMENTS

The District's financial instruments consist of cash. accounts receivable and unexpended grants. Unless otherwise noted. it is management's opinion that the District is not exposed to significant interest. currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values. unless otherwise noted.

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF GRANT REVENUE AND PROJECT EXPENDITURES
YEAR ENDED MARCH 31, 2005

	2005	2004
GRANT REVENUE		
Green Team Program	$ 8,346	$ 10,405
Green House Gas Reduction project	14,346	-
Fisheries Enhancement Fund	23,231	1,170
Lake Manitoba Fisherman's Association	2,000	-
Manitoba Metis Federation	7,776	-
Birdwatchers Fund	2,326	2,118
Canadian Nature Federation - Woodpecker project	-	1,500
Career Placement Program	932	-
Province of Manitoba - Infrastructure project	-	60,000
Fish Futures Inc.	-	5,080
Miscellaneous grants	600	-
	$ 59,557	$ 80,273
PROJECT EXPENDITURES		
Leafy Spurge Program	$ 345	$ 382
Forestry	1,346	2,646
Structure Replacement	-	81,695
Fisheries Habitat Enhancement	18,877	16,176
SDIF Projects	-	1,324
Miscellaneous crossing repairs	24,809	29,260
Water	23,023	39,817
Channel Maintenance	65,554	38,114
Channel Maintenance - Beavers	27,462	11,235
Trail Maintenance	3,506	4,025
GIS / Inventories plotting	11,701	20,189
On-Site Program	10,168	9,124
	$ 186,791	$ 253,987

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
YEAR ENDED MARCH 31, 2005
(Unaudited)

	Total	% Shareable Prov./Dist./ External	Province Share	District Share	External Share
PROJECTS AND PROGRAMS					
Trails Maintenance	$ 3,505	75/25/0	$ 2,629	$ 876	$ -
Public Relations and Education	13,284	75/25/0	9,963	3,321	-
Career Placement	3,377	54/18/28	1,834	611	932
MultiDisc.Proj/Demos/Tours	2,195	75/25/0	1,646	549	-
MCDA Dues	5,025	75/25/0	3,769	1,256	-
On-site Program	10,168	75/25/0	7,626	2,542	-
Green Team	26,631	51/18/31	13,714	4,571	8,346
Forage Assistance	71,912	31/69/0	22,500	49,412	-
Shelterbelt/Community Trees	1,345	75/25/0	1,009	336	-
Remuneration	21,103	75/25/0	15,827	5,276	-
Soils Projects					
- EcoAction GHG Project	19,381	19/06/75	3,776	1,259	14,346
- Riparian Projects	7,419	75/25/0	5,564	1,855	-
- Leafy Spurge Project	345	0/0/100	(4)	(1)	350
- Conservation Agriculture	1,369	75/25/0	1,027	342	-
- Rot. Grazing/Grassed					
Fish Spawning Project	21,119	40/23/37	8,507	4,836	7,776
Fisheries Inventories Project	18,878	31/10/59	5,909	1,969	11,000
Spawn Equipment Upgrade	18,615	26/09/65	4,788	1,596	12,231
Wildlife Incentive	3,091	75/25/0	2,318	773	-
Habitat Preservation	2,760	75/25/0	2,070	690	-
Channel maintenance - SD 107	18,887	75/25/0	14,165	4,722	-
Channel maintenance - SD 157	8,047	75/25/0	6,035	2,012	-
Channel maintenance - SD 113	12,343	75/25/0	9,257	3,086	-
Channel maintenance - SD 160	39,231	75/25/0	29,423	9,808	-
Channel maintenance - SD 110	14,509	75/25/0	10,882	3,627	-
Abandoned Well Projects	6,161	75/25/0	4,621	1,540	-
Planning/GIS/Surveying	11,701	75/25/0	8,776	2,925	-
Equipment Repair	3,528	75/25/0	2,646	882	-
Crossings - SD 160	11,117	75/25/0	8,338	2,779	-
Crossings - SD 107	3,108	75/25/0	2,331	777	-
Crossings - SD 110	3,231	75/25/0	2,423	808	-

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
YEAR ENDED MARCH 31, 2005
(Unaudited)

	Total	% Shareable Prov./Dist./ External	Province Share	District Share	External Share
Crossings - SD 157.	691	75/25/0	518	173	-
Crossings - SD 113	1,279	75/25/0	959	320	-
Infrastructure/inventories	5,383	75/25/0	4,037	1,346	-
Infrastructure Reserve Fund	13,334	75/25/0	10,000	3,334	-
	404,072		228,883	120,208	54,981
PROGRAM SUPPORT					
Office Operation	25,137	75/25/0	18,853	6,284	-
100% Board administration	595	0/100/0	-	595	-
	25,732		18,853	6,879	-
OTHER PROGRAMS					
A. Robertson Museum	4,289	0/0/100	-	-	4,289
Infrastructure replacement	-	2/25/73	-	-	-
GST refund	(7,563)	75/25/0	(5,672)	(1,891)	-
	(3,274)		(5,672)	(1,891)	4,289
ASSETS					
Non-cost shared depreciation	3,271	0/100/0	-	3,271	-
	3,271		-	3,271	-
TOTAL	$ 429,801		$ 242,064	$ 128,467	$ 59,270
PERCENTAGE OF COSTS	100 %		56 %	30 %	14 %

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
YEAR ENDED MARCH 31, 2005

	2005	2004
Provincial Grant	$ 240,000	$ 240,000
Less, receivable, beginning of year	531	316
	239,469	239,684
Less: Provincial allocation	242,064	240,215
Receivable, end of year	$ 2,595	$ 531

COOKS CREEK
CONSERVATION DISTRICT NO. 5

FINANCIAL STATEMENTS

MARCH 31, 2005

Page	
1	Auditor's Report
2 - 3	Statement of Financial Position
4	Statement of Changes in Surplus
5	Statement of Revenue and Expenditures
6	Statement of Cash Flows
7 - 9	Notes to Financial Statements
10 - 11	Schedule of Expenditures
12	Schedule of Cost Sharing

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Winkler, Manitoba
R6W 4A7

AUDITOR'S REPORT

TO THE MEMBERS:
COOKS CREEK CONSERVATION DISTRICT NO. 5

I have audited the statement of financial position of Cooks Creek Conservation District No. 5 as at March 31, 2005 and the statements of changes in surplus, revenue and expenditures, and cash flows for the year then ended. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2005 and the results of its operations and the changes in its surplus and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Jim Smith.

CHARTERED ACCOUNTANT INC.

Winkler, Manitoba
May 11, 2005

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2005

ASSETS

	2005	2004	2003
CURRENT			
Cash and term deposits	$ 7,647	$ 159,218	$ 293,919
Accounts receivable (note 3)	66,027	6,445	16,467
Prepaid expense	2,257	-	2,346
	75,931	165,663	312,732
CAPITAL (note 2c)	30,361	30,361	30,361
INVESTMENT	-	1,000	9,000
UNFUNDED DEFICIT	-	331,681	331,681
WILDLIFE HABITAT AREA (note 4)	439,249	296,000	-
	$ 545,541	$ 824,705	$ 683,774

APPROVED BY

Director

Director

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2005

LIABILITIES

	2005	2004	2003
CURRENT			
Accounts payable	$ 1,631	$ 2,727	$ 5,436
Unearned revenue (note 5)	22,000	150,000	305,338
Current portion of long-term debt	5,107	-	-
	28,738	152,727	310,774
RESERVE FUND	30,171	20,008	10,010
LONG-TERM DEBT (note 6)	135,403	-	-
	194,312	172,735	320,784

SURPLUS

	2005	2004	2003
RESTRICTED (note 4)	296,000	296,000	-
SURPLUS (page 4)	55,229	355,970	362,990
	$ 545,541	$ 824,705	$ 683,774

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF CHANGES IN SURPLUS

FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004	2003
Surplus, beginning of year	**$ 355,970**	$ 362,990	$ 369,983
Excess of revenue over expenditures	**42,103**	10,978	3,017
Transfer to reserve fund	**(10,163)**	(9,998)	(10,010)
Write-down of investment to estimated realizable value	**(1,000)**	(8,000)	-
Write-off unfunded deficit	**(331,681)**	-	-
SURPLUS, END OF YEAR	**$ 55,229**	$ 355,970	$ 362,990

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004	2003
REVENUE			
Municipal levies			
Rural Municipality of Brokenhead	$ 249	$ 249	$ 249
Rural Municipality of Ste. Anne	2,890	2,883	2,883
Rural Municipality of Springfield	121,509	121,334	121,334
Rural Municipality of Tache	7,245	7,261	7,261
Provincial grants			
Water Stewardship	270,000	260,000	245,000
Other	50,809	-	-
Other funding	14,643	24,346	38,239
Canada Employment	3,920	-	-
Cost sharing - Salmon Lake study	-	-	10,479
Drainage and crossing projects			
Rural Municipality of Brokenhead	-	-	2,500
Rural Municipality of Springfield	167,000	185,338	247,351
Manitoba Conservation	-	-	950
Manitoba Water Services Board			
Special crossings infrastructure fund	-	75,000	-
National soils and PFRA	2,050	3,100	1,429
Donations	-	350	2,100
Interest	4,528	3,898	1,135
Insurance proceeds	6,904	-	-
	651,747	683,759	680,910
EXPENDITURES			
Administration (page 10)	63,951	68,569	91,844
Public education (page 10)	49,742	61,503	38,123
Assets (page 10)	16,607	2,181	5,468
District programs (page 11)	479,344	540,528	542,458
	609,644	672,781	677,893
EXCESS OF REVENUE OVER EXPENDITURES	$ 42,103	$ 10,978	$ 3,017

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenue over expenditures	**$ 42,103**	$ 10,978	$ 3,017
Changes in non-cash working capital (note 7)	**(190,935)**	(145,679)	287,392
Cash flows from (used in) operating activities	**(148,832)**	(134,701)	290,409
CASH FLOWS FROM INVESTING ACTIVITIES			
Renovation costs for office facility	**(143,249)**	-	-
Decrease in investment	**1,000**	8,000	-
Write-down of investment to estimated net realizable value	**(1,000)**	(8,000)	-
Cash flows from (used in) investing activities	**(143,249)**	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term debt	**143,249**	-	-
Repayment of long-term debt	**(2,739)**	-	-
Cash flows from (used in) financing activities	**140,510**	-	-
NET INCREASE (DECREASE) IN CASH	**(151,571)**	(134,701)	290,409
Cash at beginning of year	**159,218**	293,919	3,510
CASH AT END OF YEAR	**$ 7,647**	$ 159,218	$ 293,919

COOKS CREEK CONSERVATION DISTRICT NO. 5

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2005

1. PURPOSE OF THE ORGANIZATION

Cooks Creek Conservation District No.5 is a not-for-profit organization funded primarily by local municipalities and the Province of Manitoba. The purpose of the organization is to manage the natural resources located within its boundaries in such a way that they are passed on to future generations in the same or better condition than at present.

2. SIGNIFICANT ACCOUNTING POLICIES

a) **Inventories**

Inventories of materials and supplies are not taken into account. Such items are expensed in the year purchased.

b) **Income taxes**

Cooks Creek Conservation District No. 5 is a not-for-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

c) **Capital assets**

Effective with the fiscal year ending March 31, 2001, it is the District's policy to expense capital assets in the year of purchase. Amortization of capital assets is no longer being provided for in the District's records.

3. ACCOUNTS RECEIVABLE

	2005	2004	2003
Canada/Manitoba Infrastructure Program	**$ 4,019**	$ -	$ -
Goods and services tax	**21,019**	6,445	6,488
Manitoba Floodway - Participant Assistance Program	**24,500**	-	-
Rural Municipality of Springfield	**16,489**	-	9,979
	$ 66,027	$ 6,445	$ 16,467

COOKS CREEK CONSERVATION DISTRICT NO. 5

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2005

4. WILDLIFE HABITAT AREA/RESTRICTED SURPLUS

The wildlife habitat area figure is comprised of two amounts.

Ecologically sensitive land donated to the District	$ 296,000
Cost of renovating house into office facility	143,249
Total	$ 439,249

Under the terms of an agreement reached with the donor of the land, use of the land is restricted to a wildlife habitat area. The estimated fair market value of the land is included as a restricted surplus on the statement of financial position.

5. UNEARNED REVENUE

	2005	2004	2003
Rural Municipality of Springfield - Oakbank CPR drain	$ 13,000	$ 150,000	$ 265,338
Hillside Pool and Riffle project	9,000	-	-
Other	-	-	40,000
	$ 22,000	$ 150,000	$ 305,338

6. LONG TERM DEBT

	2005	2004	2003
Mortgage, interest at prime, monthly principal and interest payments of $905.	$ 140,510	$ -	$ -
	140,510	-	-
Less: Current portion	(5,107)	-	-
	$ 135,403	$ -	$ -

COOKS CREEK CONSERVATION DISTRICT NO. 5

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2005

6. LONG TERM DEBT (cont'd)

Security consists of a promissory note and assignment of fire insurance.

Principal repayment over the next five years is approximately as follows:

2006	5,107
2007	5,323
2008	5,549
2009	5,785
2010	6,030

7. CHANGES IN NON-CASH WORKING CAPITAL

	2005	2004	2003
Increase (decrease) in cash from changes in:			
Accounts receivable	**$ (59,582)**	$ 10,022	$ (5,422)
Prepaid expense	**(2,257)**	2,347	(1,089)
Accounts payable	**(1,096)**	(2,710)	(11,435)
Unearned revenue	**(128,000)**	(155,338)	305,338
	$ (190,935)	$ (145,679)	$ 287,392

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004	2003
ADMINISTRATION			
Administrator wages and expenses	$ 25,012	$ 27,507	$ 30,606
Audit and legal	1,325	1,655	1,283
Board expenses (100%)	2,703	-	-
Board remuneration and expenses	885	4,058	7,814
District expansion	1,315	-	-
Insurance	2,453	2,287	2,040
Manager expenses	1,483	2,442	1,833
Manager salary and benefits (portion only)	15,581	14,708	27,905
Office cleaning	1,620	2,640	3,380
Office operation	5,075	4,856	8,683
Printing, postage and stationery	2,516	2,613	4,092
Utilities	3,983	5,803	4,208
	$ 63,951	$ 68,569	$ 91,844
PUBLIC EDUCATION	$ 49,742	$ 61,503	$ 38,123
ASSETS	$ 16,607	$ 2,181	$ 5,468

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004	2003
DISTRICT PROGRAMS			
SOILS			
Grassed runway	$ 4,475	$ 7,651	$ -
WILDLIFE/FISHERIES			
Wildlife habitat	30,186	8,695	7,347
FORESTRY			
Tree program	1,599	988	-
WATER			
Maintenance	195,221	132,493	158,897
Reconstruction	8,862	77,851	74,833
Tributary drains	156,134	116,764	234,662
Water retention studies	1,427	3,575	10,163
CROSSINGS			
Repairs/replacements	67,069	175,767	34,945
OTHER			
Abandoned wells	6,198	9,366	4,288
Drainage licensing	4,378	4,950	15,677
Spring runoff	413	-	-
Subdivisions/public relations	3,382	2,428	1,646
	$ 479,344	$ 540,528	$ 542,458

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED MARCH 31, 2005

	Revised Budget (Unaudited)	Total Expenditures	External	Provincial	Local	
					Levy	Other
ADMINISTRATION						
100% Board	$ -	$ 2,703	$ -	$ -	$ -	$ 2,703
Office operation	11,000	15,315	-	11,486	3,829	-
Program support/planning	46,000	45,931	-	34,375	11,458	98
	57,000	63,949	-	45,861	15,287	2,801
ASSETS - EQUIPMENT	10,000	16,607	-	12,455	4,152	-
PUBLIC EDUCATION	68,000	49,743	3,997	33,856	11,285	605
SOILS	10,000	4,475	-	3,356	1,119	-
WILDLIFE/FISHERIES	45,500	30,185	-	16,969	5,656	7,560
FORESTRY	1,500	1,599	-	1,199	400	-
WATER						
Maintenance	129,000	195,220	35,000	97,665	32,555	30,000
Reconstruction	5,000	8,863	-	6,647	2,216	-
Tributary drains	150,000	156,134	15,809	2,275	1,050	137,000
Studies/dyking	50,000	1,427	-	1,070	357	-
	334,000	361,644	50,809	107,657	36,178	167,000
CROSSINGS						
Repairs/replacements	60,000	67,069	-	40,527	13,509	13,033
OTHER						
Drainage licensing	6,000	4,377	-	3,283	1,094	-
2005 Spring runoff	-	413	-	-	413	-
Sealing wells	12,000	6,198	2,050	2,811	937	400
Subdivisions/public relations	6,000	3,382	-	2,026	956	400
Reserve	10,000	10,000	-	-	10,000	-
	34,000	24,370	2,050	8,120	13,400	800
TOTAL EXPENDITURES	$ 620,000	$ 619,641	$ 56,856	$ 270,000	$ 100,986	$ 191,799
TOTAL EXPENDITURES (%)		100	9	44	16	31

PROVINCIAL GRANT RECEIVABLE/PAYABLE SUMMARY	
2004/2005 Grant received	$ 270,000
Less: share of expenditures	(270,000)
Provincial Grant Remaining - underspent	$ -

INTERMOUNTAIN CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2005

INTERMOUNTAIN CONSERVATION DISTRICT

MARCH 31, 2005

CONTENTS

	Page
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Net Assets	3
Statement of Income and Retained Earnings	4
Schedule of Cost Sharing	5 - 6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 10

AUDITORS' REPORT

To the Board of Directors of:
Intermountain Conservation District

We have audited the statement of financial position of Intermountain Conservation District as at March 31, 2005 and the statement of changes in net assets, operations, and cash flows for the year then ended. These financial statements are the responsibility of the Intermountain Conservation District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Intermountain Conservation District as at March 31, 2005 and the results of its operations and cash flow for the year then ended in accordance with generally accepted accounting principles.

Zaplitny and Zamrykut,
Chartered Accountants

Dauphin, Manitoba
May 21st, 2005

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2005

	2005	2004
ASSETS		
Current		
Cash in Bank	$ 81,176	$ 40,289
Short Term Investments	6,096	21,018
Accounts Receivable	7,629	10,461
Province of Manitoba Receivable	6,014	1,674
Inventory - Note 2	11,159	14,492
Prepaid Expenses	1,800	
	113,874	87,934
Long Term		
Investment in "Watershed the System"		9,630
Capital Assets - Note 3	126,763	135,951
	126,763	145,581
	$ 240,637	$ 233,515
LIABILITIES & NET ASSETS		
Current		
Accounts Payable and Accrued Liabilities	$ 2,556	$ 3,656
Prepaid Levies and Grants	64,761	42,153
Current Portion of Long Term Debt	16,461	14,496
	83,778	60,305
Long Term		
Long Term Debt - Note 4	19,699	43,089
	103,477	103,394
Net Assets	137,160	130,121
	$ 240,637	$ 233,515

Approved on Behalf of the Board

____________________ Chairperson

____________________ Director

(The accompanying notes are an integral part of these financial statements.)

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF NET ASSETS

AS AT MARCH 31, 2005

	Invested in Capital Assets	Unrestricted	Net Assets 2005	Net Assets 2004
Balance, Beginning of Year	$ 135,951	$ (5,830)	$ 130,121	$ 105,114
Excess Revenue over Expenditures	(14,779)	21,818	7,039	25,007
Capital Assets Acquired	5,592	(5,592)		
Balance, End of Year	$ 126,764	$ 10,396	$ 137,160	$ 130,121

(The accompanying notes are an integral part of these financial statements.)

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
REVENUE		
Province of Manitoba Grant	$ 214,341	$ 201,511
Municipal Levies	78,942	73,463
Other Grants	51,823	22,671
External Partner Funding	18,136	24,437
Miscellaneous	14,527	9,932
	377,769	332,014
EXPENDITURES		
Abandoned Wells	8,913	6,968
Creek Rehabilitation	4,166	6,947
Crossing and Riparian Works		856
Forage Seed Program	7,945	868
Grassed Waterways	33,765	32,566
Livestock Watering Options		1,956
Pasture Pipeline	2,928	12,570
Public Relations and Education	14,100	13,870
Recreation and Tourism		1,125
Stream and Gully Stabilization	4,908	9,551
Trees and Shelterbelts	900	153
Watershed Management	61,918	9,249
Accounting and Legal	1,850	3,395
Advertising and Promotion	7,589	6,816
Bad Debts	476	158
Bank Charges	2,970	2,238
Board Remuneration	27,164	26,643
Insurance	3,078	2,102
MCDA Dues and Licensing Fees	3,050	3,050
Office Expense	12,757	11,675
Office Repairs and Maintenance	1,166	8,908
Staff Wages and Benefits	120,991	106,359
Utilities	8,628	7,706
Field Gear	1,253	2,316
Equipment and Vehicle Maintenance	13,748	12,932
Miscellaneous	2,058	1,346
	346,321	292,323
NET REVENUE OVER EXPENDITURES FROM OPERATIONS	31,448	39,691
Loss on Disposition of Investment	9,630	
NET REVENUE OVER EXPENDITURES	$ 21,818	$ 39,691

(The accompanying notes are an integral part of these financial statements.)

INTERMOUNTAIN CONSERVATION DISTRICT

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED MARCH 31, 2005

	Total Expenditures	Provincial	Board	External
Administration				
Insurance	$ 3,266.92	$ 2,450.19	$ 816.73	$
Office Operation	32,634.36	22,987.67	7,662.56	1,984.13
Interest and Service Fees	1,900.00	1,425.00	475.00	
Total Administration	37,801.28	26,862.86	8,954.29	1,984.13
Public Education				
MCDA Dues	3,000.00	2,250.00	750.00	
Communication and Signage	7,645.00	4,558.34	3,086.66	
Educational Activities	18,023.69	11,981.64	3,993.88	2,048.17
Public Relations	21,439.42	14,256.32	7,183.10	
Professional Development	9,563.59	5,650.28	1,883.42	2,029.89
Total Public Education	59,671.70	38,696.58	16,897.06	4,078.06
Soil Management				
Forage Seed	12,520.63	9,390.47	3,130.16	
Shelter Belts	900.00		900.00	
Grassed Waterways	74,945.19	50,243.95	24,701.24	
Total Soil Management	88,365.82	59,634.42	28,731.40	
Water				
Watershed Management	80,279.76	25,220.12	8,406.71	46,652.93
Stabilization	18,635.12	12,232.03	6,403.09	
Creek Rehabilitation	22,468.76	15,296.71	7,172.05	
Pasture Pipeline	2,928.30	132.56	2,795.74	
Waterway Management	27,394.51	16,668.38	5,556.13	5,170.00
Abandoned Wells	22,639.56	15,380.54	7,259.02	
Total Water	174,346.01	84,930.34	37,592.74	51,822.93
Subtotal	$ 360,184.81	$ 210,124.20	$ 92,175.49	$ 57,885.12

(The accompanying notes are an integral part of these financial statements.)

INTERMOUNTAIN CONSERVATION DISTRICT

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED MARCH 31, 2005

	Total Expenditures	Provincial	Board	External
Subtotal	$ 360,184.81	$ 210,124.20	$ 92,175.49	$ 57,885.12
Assets				
Field & Office Equipment	24,877.32	4,216.33	1,405.44	19,255.55
Miscellaneous Expenses				
Watershed the System	9,630.00		9,630.00	
Depreciation	14,779.27		14,779.27	
Total Public Education	24,409.27		24,409.27	
Board Expenses				
Bank Charges	241.50		241.50	
Office Repairs and Renovations	1,166.27		1,166.27	
Loan Interest Fees	2,728.50		2,728.50	
Total Board Expenses	4,136.27		4,136.27	
Total	$ 413,607.67	$ 214,340.53	$ 122,126.47	$ 77,140.67

(The accompanying notes are an integral part of these financial statements.)

INTERMOUNTAIN CONSERVATION DISTRICT

Statement of Cash Flows

MARCH 31, 2005

	2005	2004
CASH PROVIDED BY OPERATING ACTIVITIES		
Net income for the year	$ 21,818	$ 39,689
Items not requiring an outlay of cash:		
Loss on Disposal of Investment	9,630	
	31,448	39,689
CHANGES IN NON-CASH WORKING CAPITAL		
Short Term Investments	14,922	4,670
Accounts Receivable	2,833	18,050
Province of Manitoba Receivable	(4,341)	(1,511)
Inventory	3,333	(4,788)
Prepaid Expenses	(1,800)	
Accounts Payable and Accrued Liabilities	15,361	(21,353)
Prepaid Levies and Grants	22,609	10,063
	52,917	5,131
NET CASH PROVIDED BY OPERATING ACTIVITIES	84,365	44,820
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long Term Debt	(37,886)	(8,994)
New Debt Issued		26,554
CASH FLOWS USED IN FINANCING ACTIVITIES	(37,886)	17,560
CASH FROM INVESTING ACTIVITIES		
Acquisition of Capital Assets	(5,592)	(39,468)
NET INCREASE IN CASH IN BANK	40,887	22,912
NET CASH IN BANK, Beginning of Year	40,289	17,377
NET CASH IN BANK, End of Year	$ 81,176	$ 40,289

(The accompanying notes are an integral part of these financial statements.)

1. NATURE OF ORGANIZATION

The Intermountain Conservation District (IMCD) was formed on July 15th, 1997 and incorporated under the laws of the Province of Manitoba. The IMCD operates under the authority of the Conservation Districts Act and its purpose is to provide for the conservation, control, and prudent use of resources throughout its established district. The programs that it undertakes are funded jointly between the Province of Manitoba, participating municipal governments, and individuals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Inventory

Inventory is valued at the lower of cost and net realizable value on a first-in, first-out basis.

(b) Capital Assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Building	30 Years Straight Line
Automotive	8 Years Straight Line
Office Furniture	15 Years Straight Line
Office Equipment and Signs	5 Years Straight Line
Field Equipment	10 Years Straight Line

(c) Income Taxes

IMCD is a not-for-profit organization and it is exempt from income taxes under Section 149 of the Income Tax Act.

(d) Revenue Recognition

The IMCD follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

(e) Measurement Uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and , as adjustments become necessary, they are reported in earnings in the periods in which they become known.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CON'T

(f) Financial Instruments

The organization's financial instruments include items with short and long term maturities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate and credit risks arising from these instruments.

3. CAPITAL ASSETS

	Cost	Amortization	Net 2005	Net 2004
Land	$ 5,000	$ -	$ 5,000	$ 5,000
Building	89,280	15,303	73,977	76,954
Office Furniture	4,859	1,967	2,892	3,216
Office Equipment	29,763	22,397	7,366	2,956
Field Equipment	17,058	6,151	10,907	12,613
Vehicles	68,728	42,107	26,621	35,212
	$ 214,688	$ 87,925	$ 126,763	$ 135,951

4. LONG TERM DEBT

	2005	2004
Ethelbert Credit Union Limited - Commercial Loan #3 Interest Rate: 6.25% Terms: Repayable in blended monthly instalments of $600 for 52 months. Security: Truck Original amount of loan was $27,000 which was received February 2004.	$ 14,656	$ 26,554
Less: Current Portion	6,467	5,516
	8,189	21,038
Ethelbert Credit Union Limited - Commercial Mortgage #2 Interest Rate: 4.75% Terms: Repayable in blended monthly instalments of $900 for 85 months. Security: Land and buildings on SE 36-29-22 W. Original amount of mortgage was $60,000 which was received August 2000..	21,503	31,031
Less: Current Portion	9,994	8,980
	11,509	22,051
	$ 19,698	$ 43,089

4. LONG TERM DEBT - CONT'D

Principal repayments for the next five years are as follows:

2005-06	$16,461
2006-07	17,363
2007-08	2,335
2008-09	nil
2009-10	nil

KELSEY CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2005

Prepared by the accounting firm of:
M. FAYE KOBELKA
Certified General Accountant

KELSEY CONSERVATION DISTRICT

CONTENTS

	Page
Auditor's Report, dated July 7, 2005	1
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Notes to the Financial Statements	5 - 6
Auditor's Comments on Supplementary Information	7
Appendix A - Schedule of Cost Sharing	8
Appendix B - Schedule of Program Expenditures	9 - 10

M. FAYE KOBELKA
CERTIFIED GENERAL ACCOUNTANT
BOX 1228
THE PAS, MB
R9A 1L2
TEL: 204-623-4664 FAX: 204-623-4686

Auditor's Report

To: The Board of Directors
KELSEY CONSERVATION DISTRICT

I have audited the statement of financial position of Kelsey Conservation District as at March 31, 2005 and the Statement of Operations and Changes in Net Assets for the year then ended. These financial statements are the responsibility of the District's Management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian Generally Accepted Auditing Standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of Kelsey Conservation District as at March 31, 2005 and the results of its operations and the changes in it's net assets for the year then ended in accordance with Canadian Generally Accepted Accounting Procedures.

M Faye Kobelka

M. Faye Kobelka
Certified General Accountant

July 7, 2005
The Pas, MB

KELSEY CONSERVATION DISTRICT
STATEMENT OF FINANCIAL POSITION
Audited
For the Year Ended March 31, 2005

	2005	2004
ASSETS		
CURRENT		
Cash	$ 4,188	$ 1,777
Accounts Receivable (note 3)	5,640	3,166
Prepaid expenditures	757	465
Inventories	114	114
	10,699	5,522
CAPITAL ASSETS (Note 5)	45,471	57,299
	$ 56,170	$ 62,821
LIABILITIES & FUND BALANCES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses (note 4)	$ 12,229	$ 1,886
RESTRICTED FUNDS	2,814	682
INVESTMENT IN CAPITAL ASSETS	45,471	57,299
GENERAL OPERATING FUND	(4,344)	2,954
	$ 56,170	$ 62,821

Approved on behalf of the Board

(The accompanying notes are an integral part of these financial statements)

KELSEY CONSERVATION DISTRICT
STATEMENT OF OPERATIONS
Audited
For the Year Ended March 31, 2005

	2005	2004
REVENUES		
Grant Contributions	$ 186,667	$ 197,839
Other	2,260	2,575
	188,927	200,414
GENERAL & ADMINISTRATIVE EXPENDITURES		
Amortization	13,967	13,775
Office	4,116	7,742
Project Expenditure (Appendix B)	176,757	161,846
Rent	5,250	5,100
Utilities	4,639	3,732
Wages & Benefits (administration)	1,272	1,029
	206,001	193,224
Excess / (Deficiency) of Revenues over Expenditures	$ (17,074)	$ 7,190

(The accompanying notes are an integral part of these financial statements)

KELSEY CONSERVATION DISTRICT
COMPARATIVE STATEMENT OF CHANGES IN NET ASSETS
Audited
For the Year Ended March 31, 2005

	2005				2004
	Investment in Capital Assets	Wanless Historical Cabin Trust	General Operating Fund	Total Funds	Total Funds
Balance, Beginning of Year	$ 57,299	$ 682	$ 2,954	$ 60,935	$ 27,483
Capital Transactions:					
Capital Asset Addition	2,139		(2,139)	-	-
Amortization	(13,967)		13,967	-	-
Allocation of Restricted Funds from cash		2,132	(2,132)	-	682
Prior Period Adjustments			80	80	-
Excess / (Deficiency) of Revenue over Expenditures	-		(17,074)	(17,074)	25,580
Balance, End of Year	$ 45,471	$ 2,814	$ (4,344)	$ 43,941	$ 53,745

(The accompanying notes are an integral part of these financial statements)

1. OPERATIONS

Kelsey Conservation District operates under an established Board of Directors, who self select the positions within the Board. The Kelsey Conservation District was established primarily for the purpose of providing resource programs and planning for sustainable soil and water management within the RM of Kelsey.

The funding for their operations is provided on a Provincial (75%) and Municipal (25%) basis. Additional funds may be obtained through partnerships with external agencies.

2. SIGNIFICANT ACCOUNTING POLICIES

General

In accordance with generally accepted accounting principles, the organization utilized the accrual basis of accounting for all revenues and expenditures.

Fund Accounting

The organization maintains its accounts in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of the available resources are observed. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. A general operating fund, restricted fund, and captital funds are used.

Project reporting / Administrative expenditure reporting Policy

As part of the conditions of the provincial funding, the organization must report it's expenditure in a project driven manner and as such, the policy regard the terms of the provincial funding has been revised in May 2003.

3. ACCOUNTS RECEIVABLE

	2005	2004
Program Receivables	$247	$0
GST refund	5,393	3,166
	$ 5,640	$ 3,166

4. ACCOUNTS PAYABLE (NET)

	2005	2004
Audit Accrual	1,389	250
Program Payables	10,840	1,636
	$ 12,229	$ 1,886

5. PROPERTY, PLANT & EQUIPMENT

Property, Plant & Equipment are recorded at cost. Amortization is recorded using the following method and Rates as follows with 1/2 of the normal rate being used in the year of acquisition.

Equipment	20%	declining balance
Computer Hardware	30%	declining balance
Computer Software	20%	straight-line
Vehicle	30%	declining balance

	Cost	Accumulated Amortization	Net Book Value 2005	Net Book Value 2004
Equipment	$ 47,458	$ 18,813	$ 28,645	$ 35,131
Computer Hardware	13,095	7,784	5,311	5,718
Computer Software	16,170	13,724	2,446	3,494
Vehicle	29,342	20,273	9,069	12,956
	$ 106,065	$ 60,594	$ 45,471	$ 57,299

6. STATEMENT OF CASH FLOW

As the organization is reporting on a fund accounting basis, a statement of cash flow has not been included with these financial statements as its inclusion would not provide additional meaningful information.

7. COMPLETION & AUTHORIZATION

Date of Substantial Completion:	July 7, 2005
Date of Authorization & Issue	July 12, 2005

M. FAYE KOBELKA
CERTIFIED GENERAL ACCOUNTANT
BOX 1228
THE PAS, MB
R9A 1L2
TEL: 204-623-4664 FAX: 204-623-4686

AUDITOR'S COMMENTS ON SUPPLEMENTARY INFORMATION

To the Executive of:
KELSEY CONSERVATION DISTRICT

The audited financial statements of Kelsey Conservation District as at March 31, 2005 and my report July 7, 2005 are presented in the preceding section of this report. The supplementary information presented hereafter was derived from the accounting records tested by me as part of the auditing procedures followed in my examination of the financial statements and, in my opinion, they are presented in all material respects in relation to the financial statements taken as a whole.

M. Faye Kobelka
Certified General Accountant

July 7, 2005
The Pas, MB

KELSEY CONSERVATION DISTRICT
APPENDIX A - SCHEDULE OF COST SHARING
Audited
For the Year Ended March 31, 2005

	Total Expenditures	External	Provincial	Local
Administration (Note 2)	$ 15,277	$ -	$ 10,382	$ 4,895
Assets	13,967		9,492	4,475
Programs	70,457		47,883	22,574
Public Education	106,300	-	72,242	34,058
Total Expenditure	$ 206,001	$ -	$ 140,000	$ 66,001
Provincial Grants Received			140,000	
Less: Provincial Share of Expenditure			140,000	
Provincial Excess			$ -	

KELSEY CONSERVATION DISTRICT
APPENDIX B - SCHEDULE OF PROJECT EXPENDITURE
Audited
For the Year Ended March 31, 2005

	2005	2004
PUBLIC EDUCATION		
Automotive	$ 4,080	$ 520
Board Renumeration - Honararium	9,600	9,600
Expansion	1,788	-
Farm Family	71	-
Management Plan	16,369	4,834
MCDA Convention	14,031	16,215
Meetings & Travel	7,445	4,595
Newsletter / Advertising	8,410	3,414
Office & Supplies	274	1,016
Partner / Project Signage	830	857
Professional Development	11,413	8,471
Public Education / Relations	16,860	10,949
School Program	7,361	3,228
Summer Tour	7,768	-
	106,300	63,699
RECREATION		
Automotive	56	253
Cranberry Dock	27	-
Grace Lake Trail	423	2,989
Heritage Building	-	1,600
Office & Supplies	274	493
Wanless Community Grounds	27	24,433
Wanless Dock	3,051	1,168
	3,858	30,936
SOILS		
Automotive	615	104
Burdock Control	3,822	-
Composting	3,133	-
Forage Program	5,130	2,001
Heavy Harrow Program	295	1,407
Native Grass Planting	304	1,198
Office & Supplies	274	204
Rotational Winter Feeding	1,527	-
Rorational Grazing	1,846	-
Soil Sampling	1,209	4,896
Swath Grazing	14,522	-
Tree Planting	3,664	2,978
Zero Tilt	182	-
	36,523	12,788

KELSEY CONSERVATION DISTRICT
APPENDIX B - SCHEDULE OF PROJECT EXPENDITURE
Audited
For the Year Ended March 31, 2005

	2005	2004
WATER		
Abandoned Wells	12,002	4,388
Automotive	671	357
Chemical Storage	58	-
Drainage	942	-
Exclusion Fencing	1,864	6,788
Livestock Watering	586	2,122
Manure Composting	1,260	-
Manure Management	3,814	25,678
Office & Supplies	274	698
Pature Pipeline	646	1,264
Riparian Rehab	197	851
Well Disinfection	320	963
Water Protection	309	-
Well Quality Testing	636	636
	23,579	43,745
WILDLIFE		
Artificial Nesting Structures	4,105	3,381
Automotive	168	87
Beaver Baffler Program	444	126
Cranberry Breakwater	121	-
Cranberry Creel	61	2,260
Cranberry Trail	975	-
Fish Stocking	68	1,004
Fishway Study	253	2,300
Office & Supplies	275	170
Rocky Lake Study	27	1,350
	6,497	10,678
TOTAL PROJECT EXPENDITURE	$ 176,757	$ 161,846

Appendix E

LAKE OF THE PRAIRIES CONSERVATION DISTRICT

FINANCIAL STATEMENTS

For the year ended March 31, 2005

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
TABLE OF CONTENTS
For the year ended March 31, 2005

Page

AUDITORS' REPORT, dated April 26, 2005 3

FINANCIAL STATEMENTS

Balance Sheet 4
Statement of Revenue, Expenditure and Surplus 5
Statement of Cash Flows 6
Notes to the Financial Statements 7 - 9
Schedule 1 - Schedule of Cost Sharing 10 - 11
Schedule 2 - Schedule of Provincial Contributions 12

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AUDITORS' REPORT

To the Board of Directors:
Lake of the Prairies Conservation District
Inglis, Manitoba

We have audited the balance sheet of **Lake of the Prairies Conservation District** as at **March 31, 2005** and the statements of revenue, expenditure and surplus and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at **March 31, 2005** and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedules of Cost Sharing and Provincial Contributions presented by the District.

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PARTNERSHIP OF
CHARTERED ACCOUNTANTS

Russell, Manitoba
April 26, 2005

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
BALANCE SHEET
As at March 31, 2005

	2005	2004
ASSETS		
CURRENT		
Cash	$ 16,285	$ 1
Accounts receivable (Note 2)	56	210
GST receivable	2,689	709
Provincial grant receivable (Schedule 2)	8,503	8,963
	27,533	9,883
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 3)	60,172	45,514
PATRONAGE DIVIDENDS	330	294
	$ 88,035	$ 55,691
LIABILITIES		
CURRENT		
Bank indebtedness (Note 4)	$	$ 3,510
Accounts payable (Note 5)	12,424	1,665
Current portion of demand loan (Note 6)		1,701
	12,424	6,876
SURPLUS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT	60,172	45,514
SURPLUS	15,439	3,301
	75,611	48,815
	$ 88,035	$ 55,691

APPROVED ON BEHALF OF THE BOARD:

________________ Director

________________ Director

LAKE OF THE PRAIRIES CONSERVATION DISTRICT

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

For the year ended March 31, 2005

	2005	2004
REVENUE		
Province of Manitoba grant	$ 134,540	$ 78,947
Municipal grants (Note 9)	45,572	26,007
External funding	27,054	12,626
Miscellaneous income	305	176
Interest	1,000	344
New member start up fees	3,000	
	211,471	118,100
EXPENDITURES		
Administration	29,724	16,362
Forestry	7,632	6,737
Public education	70,808	40,634
Soil programs	24,578	15,138
Tourism	6,497	1,559
Water programs	31,369	20,019
Fisheries programs	7,418	5,829
Geographical information system	1,947	1,064
Wildlife programs	4,702	
	184,675	107,342
REVENUE OVER EXPENDITURES	26,796	10,758
OTHER ITEM		
Investment in property, plant and equipment	(14,658)	(6,811)
NET INCOME FOR YEAR	12,138	3,947
SURPLUS (DEFICIT), BEGINNING OF YEAR	3,301	(646)
SURPLUS, END OF YEAR	$ 15,439	$ 3,301

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
For the year ended March 31, 2005

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	$ 11,337	$ 6,227
Cash paid to suppliers and employees	(173,917)	(107,908)
Interest received	1,000	344
Grants received	183,112	104,954
	21,532	3,617
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14,658)	(6,811)
Change in other long-term assets	(36)	(176)
	(14,694)	(6,987)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on bank indebtedness		1,660
Repayment of bank indebtedness	(3,511)	
Repayment of long-term debt	(1,701)	(5,155)
Change in other surplus accounts	14,658	6,811
	9,446	3,316
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,284	(54)
CASH, BEGINNING OF YEAR	1	55
CASH, END OF YEAR	16,285	1
REPRESENTED BY:		
Cash	16,285	1
	$ 16,285	$ 1

LAKE OF THE PRAIRIES CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2005

1. ENTITY DEFINITION

The Lake of the Prairies Conservation District No. 12 was formed January 1, 2001 to administer and develop programs for the effective management and conservation of the natural resources in the Rural Municipalities of Shellmouth-Boulton, Silver Creek, and Russell, the Town of Russell and Village of Binscarth. Each member municipality appoints local representatives to create a district board. Approximately 75% of the district's annual budget comes from the province while member municipalities contribute 25% of the total in amounts based on their own assessments. The conservation district employs a full-time district manager and a full-time administrator as well as part-time work crews.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and includes the following significant accounting policies:

Accounts receivable

Accounts receivable have been determined to be all collectible; therefore, no allowance for doubtful accounts has been made.

Property, plant and equipment

Property, plant and equipment are recorded at cost. The organization has adopted a policy not to amortize the property, plant and equipment.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Office equipment	$ 2,855	6,552		$ 9,407
Computer equipment	5,486	2,509		7,995
Machinery	17,373	5,597		22,970
Truck	19,800			19,800
	45,514	14,658		60,172
BOOK VALUE	$ 45,514			$ 60,172

4. BANK INDEBTEDNESS

	2005	2004
Bank overdraft	$	$ 3,510

There is no authorized line of credit. The overdraft has resulted from recorded outstanding cheques which were covered by deposits made subsequent to the year end.

5. ACCOUNTS PAYABLE

	2005	2004
Accrued auditing fees	$ 1,380	$ 1,380
Vacation payable	2,754	
Overtime wages payable	1,154	
RRSP		285
Trade	7,136	
	$ 12,424	$ 1,665

6. DEMAND LOANS

	2005	2004
Roblin Credit Union Ltd. - commercial loan with blended quarterly payments of $1,360 with interest at a rate of prime + 1%. Secured by 1997 Ford truck. Matures July 2004.	$	$ 1,701
		1,701
Current portion		1,701
	$	$
Interest expense applicable to term loans	$ 21	$ 285

7. PRIOR YEAR'S FIGURES

The prior year's figures have been restated to conform to current year's presentation.

8. ECONOMIC DEPENDENCE

Lake of the Prairies Conservation District receives at least 60% of its operating revenue from the Provincial Government and is economically dependent on it.

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the year ended March 31, 2005

9. MUNICIPAL GRANTS

Grants received from local government involvement in the conservation district were the following:

	2005	2004
R.M. of Shellmouth-Boulton	$ 12,377	$ 9,541
R.M. of Silver Creek	7,399	7,076
R.M. of Russell	7,037	7,021
Town of Russell	2,868	2,108
Village of Binscarth	251	261
RM of Shell River	10,693	
RM of Park North	1,705	
Town of Roblin	3,242	
	$ 45,572	$ 26,007

10. FINANCIAL INSTRUMENTS

Credit risk management

The District is exposed to credit risk on the accounts receivable from its customers. In order to reduce it credit risk, the Company has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The District does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the farming business.

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
SCHEDULE 1 - SCHEDULE OF COST SHARING
For the year ended March 31, 2005

	Cost	Total			District	
PROJECTS & PROGRAMS	**Share (%)**	**Expenditures**	**Provincial**	**Levies**	**Other**	**External**
ADMINISTRATION						
Office operation	75/25/00	$ 29,724	22,293	7,431		
Sub-Total		**$ 29,724**	**22,293**	**7,431**		
ASSETS						
Office Equipment	75/25/00	$ 14,658	10,993	3,665		
Sub-Total		**$ 14,658**	**10,993**	**3,665**		
PUBLIC EDUCATION						
Public Education	72/24/04	$ 26,310	18,943	6,315		$ 1,052
Advertising	75/25/00	3,046	2,285	761		
Newsletters	41/14/45	1,990	816	279		896
Professional Development	75/25/00	1,831	1,373	458		
Field Gear	75/25/00	437	328	109		
Signage	37/12/51	2,003	741	240		1,022
MCDA Dues	75/25/00	3,000	2,250	750		
Display-Promotional Items	75/25/00	3,948	2,961	987		
Meetings/Conventions/Banquet	75/25/00	5,862	4,397	1,465		
Eco-Camp/Wetlands Classroom	72/24/04	3,512	2,529	843	140	
Management Planning	75/25/00	7,286	5,464	1,821		
Summer Student	29/10/61	5,319	1,542	532		3,245
GIS Mapping Study	33/11/56	6,264	2,067	689		3,508
Sub-Total		**$ 70,808**	**45,696**	**15,249**	**140**	**9,723**
SOIL PROGRAMS						
Forage reimbursement	75/25/00	$ 10,312	7,734	2,578		
Salinity Barriers	75/25/00	1,746	1,310	436		
Winter Cereals	75/25/00	4,370	3,277	1,092		
Red & Yellow Clover Cover	75/25/00	663	497	166		
Streambank Stabilization	75/25/00	4,126	3,095	1,032		
Grassed Waterways	75/25/00	3,361	2,521	840		
Sub-Total		**$ 24,578**	**18,434**	**6,144**		
WATER MANAGEMENT						
Small Dams	75/25/00	$ 2,186	1,639	546		
Abandoned Wells	56/19/25	3,992	2,236	758	58	940
Alternate Watering System	59/20/21	6,715	3,962	1,343		1,410
Riparian Management	75/25/00	8,949	6,712	2,237		
Riparian Club & Stewardship	-70/-23/193	3,487	(2,441)	(802)		6,730
Daneliuk Spring	75/25/00	154	116	39		
Off-Site Watering System	75/25/00	3,175	2,381	794		
Pasture Pipeline Works	67/22/10	2,711	1,822	607	282	
Sub-Total		**$ 31,369**	**16,427**	**5,522**	**340**	**9,080**
FISHERIES						
Silver Beach Enhancement	75/25/00	$ 4,504	3,378	1,126		
Spear Lake Nutrient Loading Study	75/25/00	1,854	1,390	464		
Inglis Beach project	75/25/00	1,060	795	265		
Sub-Total		**$ 7,418**	**5,563**	**1,855**		

(Unaudited)

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
SCHEDULE 1 - SCHEDULE OF COST SHARING
For the year ended March 31, 2005

WILDLIFE						
Youth Hunt	75/25/00	$ 1,158	868	289		
Waterfowl Enhancement Program	75/25/00	662	497	166		
Model Wetland Project	75/25/00	662	496	166		
Wildlife Habitat Creation	75/25/00	2,220	1,665	555		
Sub-Total		**$ 4,702**	**3,526**	**1,176**		
FORESTRY						
Community Forest Initiative	75/25/00	$ 223	167	56		
Adopt-A-Tree Program	75/25/00	1,134	851	283		
Reforestation Program	75/25/00	3,372	2,529	843		
Shelterbelt Planning Service	75/25/00	1,945	1,459	486		
Research/Demo Plot	75/25/00	368	276	92		
Prairie Xeriscape Plot	75/25/00	590	443	147		
Sub-Total		**$ 7,632**	**5,725**	**1,907**		
TOURISM						
Bear Creek Model Watershed	23/08/69	$ 3,249	747	260		2,242
Interpretive Trails	32/11/57	3,248	1,039	357		1,852
Sub-Total		**$ 6,497**	**1,786**	**617**		**4,094**
GEOGRAPHICAL SYSTEM						
Aerial Photo & GIS Enhanced	61/20/19	$ 1,947	1,188	389	370	
Sub-Total		**$ 1,947**	**1,188**	**389**	**370**	
TOTAL EXPENDITURES	**66/22/12**	**199,333**	**131,631**	**43,955**	**850**	**22,897**
			66%	**22%**	**0.5%**	**11.5%**

LAKE OF THE PRAIRIES CONSERVATION DISTRICT

SCHEDULE 2 - SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE

As at March 31, 2005

	2005	2004
Grant - Province of Manitoba	$ 135,000	$ 80,000
Less: Prior year receivable	8,963	10,016
GRANT RECEIVED	126,037	69,984
Less: Provincial allocation	134,540	78,947
RECEIVABLE - PROVINCE OF MANITOBA	$ 8,503	$ 8,963

La Salle Redboine Conservation District

Financial Statements

For the year ended March 31, 2005

La Salle Redboine Conservation District

Financial Statements

For the year ended March 31, 2005

Contents

Auditors' Report 2

Financial Statements

Statement of Financial Position 3

Statement of Changes in Net Assets 4

Statement of Operations 5

Summary of Significant Accounting Policies 6

Notes to Financial Statements 8

Schedule 1 - Project Expenses 12

Schedule 2 - Cost Sharing 13

La Salle Redboine Conservation District

Financial Statements
For the year ended March 31, 2005

Contents

Auditors' Report 2

Financial Statements

Statement of Financial Position 3

Statement of Changes in Net Assets 4

Statement of Operations 5

Summary of Significant Accounting Policies 6

Notes to Financial Statements 8

Schedule 1 - Project Expenses 12

Schedule 2 - Cost Sharing 13

BDO
Driving growth

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Auditors' Report

To the Members of
La Salle Redboine Conservation District

We have audited the statement of financial position of La Salle Redboine Conservation District as at March 31, 2005, and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Organization's executive. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2005, and the results of its operations for the year then ended, in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Portage la Prairie, Manitoba
June 27, 2005

La Salle Redboine Conservation District
Statement of Financial Position

March 31,	**2005**	2004 (Restated)
Assets		
Current Assets		
Cash	$ -	$ 18,741
Short-term investments (note 1)	**24,000**	-
Provincial grant receivable (note 2)	**24,269**	6,593
Accounts receivable	**5,732**	12,001
Inventories	**4,888**	2,343
Prepaids	**2,899**	1,583
Deposit on capital assets	-	60,304
	61,788	101,565
Capital Assets (note 3)	**236,041**	118,417
	$ 297,829	$ 219,982
Liabilities and Net Assets		
Current Liabilities		
Bank indebtedness (note 4)	**$ 14,684**	$ -
Accounts payable and accrued liabilities	**3,391**	3,545
	18,075	3,545
Deferred Contributions Related to Capital Assets (note 5)	**191,465**	140,261
	209,540	143,806
Net Assets		
Invested in capital assets (note 6)	**44,576**	38,460
Unrestricted net assets	**43,713**	37,716
	88,289	76,176
	$ 297,829	$ 219,982

On behalf of the Board:

____________________ Director

____________________ Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

La Salle Redboine Conservation District
Statement of Changes in Net Assets

For the year ended March 31,	2005			2004
				(Restated)
	Invested in Capital Assets	Unrestricted	Total	Total
Net assets, beginning of year (as previously reported)	$ 152,711	$ 21,623	$ 174,334	$ 135,945
Prior period adjustment (note 10)	(114,251)	16,093	(98,158)	(88,801)
Net assets, beginning of year (as restated)	38,460	37,716	76,176	47,144
Excess of revenue (expenditures), for the year	(5,058)	17,171	12,113	29,032
Net asset transfers (note 7)	11,174	(11,174)	-	-
Net assets, end of year	$ 44,576	$ 43,713	$ 88,289	$ 76,176

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

La Salle Redboine Conservation District
Statement of Operations

For the year ended March 31,	2005	2004 (Restated)
Revenue		
Municipal grants (note 8)	$ **76,800**	$ 76,800
Province of Manitoba grant (schedule 2)	**184,152**	168,101
Sustainable Communities Innovation fund	**3,843**	2,889
Prairie Farm Rehabilitation Administration	**3,000**	9,500
Amortization of deferred contributions (note 5)	**22,566**	14,487
RM of Victoria property tax donation	**1,455**	1,579
Interest income	**301**	893
Human Resources Development Canada	**2,940**	2,672
Ducks Unlimited	**-**	1,000
Fisheries Enhancement Initiative	**-**	5,000
Project revenues	**7,498**	15,794
Hometown Greenteam Youth Funding	**2,292**	-
Other revenues	**1,593**	1,023
	306,440	299,738
Expenditures		
Advertising and promotion	**5,089**	5,059
Amortization	**27,624**	18,193
Bank charges and interest	**273**	334
Board remuneration	**16,568**	28,334
Insurance	**2,582**	2,521
Meeting expenses	**1,144**	1,906
Membership dues and subscriptions	**9,402**	4,591
Miscellaneous	**1,095**	497
Office and supplies	**1,651**	1,730
Pension expense	**3,232**	3,223
Professional fees	**2,383**	2,528
Project expenses (schedule 1)	**87,699**	88,783
Project supplies	**7,156**	6,898
Property taxes	**1,579**	1,579
Rent	**183**	310
Repairs and maintenance	**1,814**	796
Salaries and benefits	**92,913**	75,063
Telephone	**3,181**	3,474
Training and education	**10,094**	14,274
Utilities	**2,284**	2,278
Vehicle operating	**16,381**	8,335
	294,327	270,706
Excess of revenue over expenditures	$ **12,113**	$ 29,032

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

La Salle Redboine Conservation District
Summary of Significant Accounting Policies

March 31, 2005

Nature and Purpose of Organization

La Salle Redboine Conservation District was established by an Order-in-Council of the Province of Manitoba on January 30, 2002. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a Board of Directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Contributed Materials and Services

Volunteers contribute numerous hours and materials during the period to assist the Organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services and materials (other than the land and building) are not recognized in the financial statements.

Financial Instruments

The Organization's financial instruments consist of cash, short-term investments, accounts receivable, bank indebtedness and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Inventories

Inventories are stated at the lower of cost and net realizable value.

Capital Assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Where fair value cannot be reasonably determined, contributed capital assets are recorded at a nominal amount. Amortization is based on the estimated useful life of the asset and is calculated using the straight line basis at the following annual rates.

Buildings	5 %
Field equipment	10 %
Computer equipment	20 %
Office equipment	10 %
Automotive equipment	15 %

Defined Contribution Pension Plan

The Organization's pension plan is administered by Manitoba Municipal Employee Benefits Program. All expenses consist of the contributions required under the plan.

Management Estimates

The preparation of financial statements, in accordance with Canadian generally accepted accounting principles, requires Management to make certain estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

1. Short-Term Investments

Short-term investments consist of a guaranteed investment certificate, accruing interest at 1.5% per annum, and is set to mature on June 30, 2005.

2. Provincial Grant Receivable

	2005	2004
Provincial grant receivable (payable), beginning of year	$ 6,593	$ (20,437)
Add grant allocated (schedule 2)	217,676	227,030
Deduct Provincial grant received	(200,000)	(200,000)
	$ 24,269	$ 6,593

3. Capital Assets

	2005			2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 2,300	$ -	$ 2,300	$ 2,300
Buildings	116,077	7,399	108,678	32,377
Field equipment	26,774	5,911	20,863	23,540
Computer equipment	96,739	25,471	71,268	18,956
Office equipment	5,509	1,034	4,475	5,026
Automotive equipment	51,740	23,283	28,457	36,218
	$ 299,139	$ 63,098	$ 236,041	$ 118,417

4. Bank Indebtedness

The bank indebtedness is due on demand and bears interest at the bank's prime rate, calculated and payable monthly, to a limit of $40,000.

5. Deferred Contribution Related to Capital Assets

In 2003, the land and building presently occupied by the Organization were donated by the Rural Municipality of Victoria. The fair market value of the land and building was $2,300 and $28,900 respectively. Since the building is a capital asset on which amortization is being recorded, the fair market value has been recorded as a deferred contribution, and the recognition of the value of this donation will occur annually as amortization is recorded on the building over its estimated useful life.

In the current year, the Organization purchased specialized equipment, of which $40,246 was funded by the Manitoba Water Services Board. Since this equipment is a capital asset on which amortization is being recorded, the amount funded has been recorded as a deferred contribution, and the recognition of the value of this donation will occur annually as amortization is recorded on the equipment over its estimated useful life.

The Province of Manitoba funds 75% of the purchase of capital assets (not including external funding). In 2005, $33,524 (2004 - $13,699) was recoverable from the Province for capital asset additions. This Provincial funding has also been reflected in the deferred contribution amount.

The change in the deferred contributions balance for the year is as follows.

	2005	2004
		(Restated)
Beginning balance	**$ 140,261**	$ 95,819
Add amount received in the current year	**73,770**	58,929
Less amortization charged to revenue in the year	**22,566**	14,487
	$ 191,465	$ 140,261

6. Net Assets Invested in Capital Assets

As at March 31, 2005, La Salle Redboine Conservation District has $44,576 invested in capital assets as follows.

	2005	2004
		(Restated)
Net assets, beginning of year	$ 152,711	$ 90,889
Prior period adjustment (note 10)	(114,251)	(68,364)
Amortization of deferred contributions related to capital assets	22,566	14,487
Amortization of capital assets	(27,624)	(18,193)
Interfund transfers (note 7)	11,174	19,641
Net assets, end of year	$ 44,576	$ 38,460

7. Net Asset Transfers

During the year, funds were transferred from unrestricted net assets to net assets invested in capital assets in the amount of $11,174 (2004 - $19,641) in order to fund the cash outlays for net capital asset acquisitions of $84,944 (2004 - $18,266) less amounts received as funding for purchases of capital assets of $73,770 (2004 - $58,929).

8. Municipal Grants

Municipal grants reported in the statement of operations, came from the following sources.

For the year ended March 31,	2005	2004
RM of Cartier	$ 7,440	$ 7,440
RM of Dufferin	8,400	8,400
RM of Grey	6,720	6,720
RM of MacDonald	15,600	15,600
RM of Portage la Prairie	15,600	15,600
RM of Ritchot	1,200	1,200
RM of South Norfolk	4,320	4,320
RM of Victoria	3,120	3,120
City of Portage la Prairie	12,000	12,000
Town of Carman	1,920	1,920
Village of St. Claude	240	240
Town of Treherne	240	240
	$ 76,800	$ 76,800

9. Statement of Cash Flows

A statement of cash flows has not been prepared since it would not provide any additional information.

10. Prior Period Adjustment

A net prior period adjustment of $98,158 (2004 - $88,801) has been made to total net assets and comparative amounts have been restated, to correct an understatement of the Provincial Government receivable, an understatement of deferred contributions and an understatement of accounts receivable relating to the receipt of funds from the Prairie Farm Rehabilitation Administration. The 2004 statement of financial position shows accounts receivable has increased by $9,500, the Provincial Government receivable has increased by $6,593 and deferred contributions have increased by $114,251. The 2004 statement of operations shows a decrease of the Provincial grant revenue of $31,899, an increase of amortization of deferred contributions of $13,042 and an increase of Prairie Farm Rehabilitation Administraton of $9,500.

La Salle Redboine Conservation District
Schedule 1 - Project Expenses

For the year ended March 31,	2005	2004
Drainage mowing	$ 31,761	$ 27,711
Abandoned well sealing	8,114	13,869
Pasture management	4,855	13,254
Portage beautification project	-	10,000
Streambank stabilization	1,955	8,263
Water retention	34,411	4,500
Water testing	2,461	2,806
Grassed runways	532	2,580
Rotational grazing	1,565	2,573
Riparian fencing	1,182	1,717
Gully erosion stabilization	863	1,510
	$ 87,699	$ 88,783

La Salle Redboine Conservation District
Schedule 2 - Cost Sharing

For the year ended March 31, 2005

	Total Expenditures	External	Provincial	Local
Project management	$ 173,717	$ 10,754	$ 122,222	$ 40,741
Soil management	3,279	-	2,459	820
Water management	84,420	10,412	55,506	18,502
Public education	5,287	-	3,965	1,322
Amortization	27,624	-	-	27,624
Total expenditures	294,327	21,166	184,152	89,009
Assets purchased Capitalized	84,944	40,246	33,524	11,174
Total	$ 379,271	$ 61,412	$ 217,676	$ 100,183

Appendix G

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

For the year ended March 31, 2005

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

TABLE OF CONTENTS

For the year ended March 31, 2005

	Page
AUDITORS' REPORT, dated May 13, 2005	3

FINANCIAL STATEMENTS

Balance Sheet	4
Statement of Revenues and Deficit	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 10
Schedule 1 - Schedule of Expenses	11
Schedule 2 - Schedule of Expenditure - Sub-District Programs	12 - 13
Schedule 3 - Schedule of Cost Sharing	14

AUDITORS' REPORT

To the Board of Directors:
Little Saskatchewan River Conservation District
Oak River, Manitoba

We have audited the balance sheet of **Little Saskatchewan River Conservation District** as at **March 31, 2005** and the statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2005 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Cost Sharing presented by the District.

Sensus

Russell, Manitoba
May 13, 2005

PARTNERSHIP OF
CHARTERED ACCOUNTANTS

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
BALANCE SHEET
As at March 31, 2005

	2005	2004
ASSETS		
CURRENT		
Cash	$ 101	$ 101
Accounts receivable (Note 2)	2,931	7,053
Provincial grant receivable (Note 11)	34,489	14,841
GST receivable	4,834	2,866
Inventories (Note 2)	7,262	2,929
Prepaid expenses	2,013	2,856
	51,630	30,646
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 3)	63,751	58,889
	$ 115,381	$ 89,535
LIABILITIES		
CURRENT		
Bank indebtedness (Note 4)	$ 56,952	$ 36,265
Accounts payable (Note 5)	1,578	3,708
Unearned revenue (Note 2)	24,471	22,337
	83,001	62,310
SURPLUS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (Note 9)	63,751	58,890
(DEFICIT)	(31,371)	(31,665)
	32,380	27,225
	$ 115,381	$ 89,535

APPROVED ON BEHALF OF THE BOARD:

Roy Greer Director

______________________ Director

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
STATEMENT OF REVENUES AND DEFICIT
For the year ended March 31, 2005

	2005	2004
REVENUE		
Grants		
Province of Manitoba	$ **189,648**	$ 121,931
Ducks Unlimited	**29,998**	38,284
Delta Waterfowl		1,652
Federal government grants	**4,000**	
External funding	**11,617**	77,352
Municipal levies (Note 8)	**56,706**	42,559
Interest	**114**	238
Land owner contributions	**22,826**	25,378
Miscellaneous	**3,283**	487
	318,192	307,881
EXPENSES, per schedule 1	**317,898**	326,426
NET INCOME (LOSS) FOR YEAR	**294**	(18,545)
DEFICIT, BEGINNING OF YEAR	**(31,665)**	(13,120)
DEFICIT, END OF YEAR	$ **(31,371)**	$ (31,665)

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

STATEMENT OF CASH FLOWS

For the year ended March 31, 2005

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	$ 10,750	$ 15,360
Cash paid to suppliers and employees	(322,131)	(321,496)
Interest received	114	238
Grants received	291,969	281,778
Interest paid	(1,389)	(1,417)
	(20,687)	(25,537)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,861)	(18,358)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances on bank indebtedness	20,687	22,574
Repayment of long-term debt		(4,536)
Change in property, plant and equipment	4,861	18,358
	25,548	36,396
NET DECREASE IN CASH AND CASH EQUIVALENTS		(7,499)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	101	7,600
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 101	$ 101

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2005

1. ENTITY DEFINITION

Little Saskatchewan River Conservation District was established by an Order-in-Council of the Province of Manitoba on January 1, 1999. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventory is valued at the lower of cost and net realizable value determined by the first-in, first-out method.

Property, plant and equipment

Property, plant and equipment are recorded at cost. The organization has adopted a policy not to amortize the property, plant and equipment.

Unearned revenue

Unearned revenue is the portion of fees received prior to year end which relates to programs and services to be delivered after year end.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Accounts receivable

Accounts receivable have been determined to be all collectible; therefore, no allowance for doubtful accounts has been made.

3. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Automotive	$ 25,900			$ 25,900
Computer	32,961	1,819	200	34,580
Laser level	13,136			13,136
Office equipment	5,204	2,439		7,643
Pipeline plow	6,194			6,194
Seed drill	22,550			22,550
Utility trailer	3,323			3,323
Water pumps		604		604
	109,268	4,862	200	113,930
ACCUMULATED AMORTIZATION				
Automotive	15,540			15,540
Computer	25,024		200	24,824
Office equipment	1,146			1,146
Seed drill	8,669			8,669
	50,379		200	50,179
NET BOOK VALUE	$ 58,889			$ 63,751

4. BANK INDEBTEDNESS

	2005	2004
Bank overdraft	$ **56,952**	$ 36,265

Bank indebtedness is secured by a General Security Agreement. There is an authorized $50,000 line of credit with an interest rate at prime plus 1%. The prime rate of interest on March 31, 2005 was 4.25% compared to an interest rate on March 31, 2004 which was 4%.

5. ACCOUNTS PAYABLE

	2005	2004
Accrued accounting	$ **1,250**	$ 1,250
Trade	**328**	2,458
	$ **1,578**	$ 3,708

6. PRIOR YEAR'S FIGURES

The prior year's figures have been restated to conform to current year's presentation.

7. ECONOMIC DEPENDENCE

Little Saskatchewan River Conservation District receives at least 40% of its operating revenue from the Province of Manitoba and is economically dependent on it.

8. MUNICIPAL GRANTS

Grants received from local government involvement in the conservation district were the following:

	2005	2004
Rural Municipality of Blanshard	$ 7,819	$ 7,819
Rural Municipality of Clanwilliam	3,152	3,111
Rural Municipality of Daly	7,612	7,612
Rural Municipality of Harrison	5,718	5,718
Rural Municipality of Minto	3,742	3,742
Rural Municipality of Odanah	1,577	1,577
Rural Municipality of Park	7,232	
Rural Municipality of Rosedale	34	
Rural Municipality of Saskatchewan	7,405	7,405
Rural Municipality of Strathclair	6,497	
Town of Erickson	343	
Town of Minnedosa	4,035	4,035
Town of Rivers	1,359	1,359
Town of Rapid City	181	181
	$ 56,706	$ 42,559

9. INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment expenditures are accounted for on the balance sheet with an offsetting entry to the Investment in Property, Plant and Equipment account.

10. FINANCIAL INSTRUMENTS

Credit risk management

The organization is exposed to credit risk on the accounts receivable from its customers. In order to reduce its credit risk, the organization has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The organization does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the farming business.

11. PROVINCIAL GRANT RECEIVABLE/PAYABLE

	2005	2004
Grant - Province of Manitoba	$ 170,000	$ 120,000
Less: Prior year receivable	14,841	12,910
GRANT RECEIVED	155,159	107,090
Less: Provincial allocation	189,648	121,931
RECEIVABLE - PROVINCE OF MANITOBA	$ 34,489	$ 14,841

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
SCHEDULE 1 - SCHEDULE OF EXPENSES
For the year ended March 31, 2005

	2005	2004
Accounting	$ 1,250	$ 1,749
Advertising	466	412
Board remuneration	23,684	7,133
Computer software	732	5,616
Heat, light and power	1,893	1,867
Insurance	2,097	
Interest and bank charges	1,389	1,417
MCDA dues	3,000	3,000
Miscellaneous	395	37
Newsletters	1,055	1,218
Office	4,896	6,582
Property, plant and equipment purchases	4,258	18,358
Public education	13,055	25,833
Rent	2,400	2,400
Repairs and maintenance	7,293	3,496
Salaries	117,223	110,429
Sawmill incentive	1,557	
Shelterbelts and salinity program		128
Small dams	1,321	639
Soil programs	2,547	1,606
Sub-district programs (Schedule 2)	94,103	76,637
Telephone	5,803	6,217
Training	2,546	3,204
Travel	131	
Vehicle expense	1,293	1,287
Water programs	21,206	47,089
Well capping	2,305	72
	$ 317,898	$ 326,426

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 2 - SCHEDULE OF EXPENDITURE- SUB-DISTRICT PROGRAMS

For the year ended 31st March 2005

	2005	2004
UPPER OAK RIVER SUB-DISTRICT #72A		
Forage	$ 3,210	$ 8,843
Pasture improvements	47	
Riparian partnership	20	
Small dams		2,600
Soil		
Well capping	1,239	1,252
Warranty fund		643
	4,516	13,338
LOWER OAK RIVER SUB-DISTRICT #72B		
Forage	6,000	
Pasture improvements	4,009	
Riparian partnership		
Small dams	11,440	
Soil		
Well capping	1,373	
Warranty fund		
	22,822	
UPPER CENTRAL LITTLE SASKATCHEWAN RIVER SUB-DISTRICT #81A		
Forage	10,065	
Pasture improvements		
Riparian partnership		
Small dams	8,219	
Soil		
Well capping	450	
Warranty fund	1,137	
	19,871	
LOWER CENTRAL LITTLE SASKATCHEWAN RIVER SUB-DISTRICT #81B		
Forage	1,650	12,376
Pasture improvements	1,500	
Riparian partnership	10,187	
Small dams	1,878	295
Soil	53	5,016
Well capping	2,850	1,599
Warranty fund		1,495
	18,118	20,781

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 2 - SCHEDULE OF EXPENDITURE- SUB-DISTRICT PROGRAMS

For the year ended 31st March 2005

	2005	2004
UPPER LITTLE SASKATCHEWAN RIVER SUB-DISTRICT #82A		
Forage	9,525	
Pasture improvements	41	
Riparian partnership		
Small dams	976	
Soil	26	
Well capping	502	
Warranty fund		
	11,070	
LOWER LITTLE SASKATCHEWAN RIVER SUB-DISTRICT #82B		
Forage	1,395	21,968
Pasture improvements	3,372	
Riparian partnership	984	
Small dams	8,131	15,840
Soil	460	
Well capping	3,051	4,710
Warranty fund	313	
	17,706	42,518
	$ 94,103	$ 76,637

Sensus

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 3 - SCHEDULE OF COST SHARING

For the year ended 31st March 2005

		Total Expenditures	Provincial	District	Other	External
ADMINISTRATION						
Office operation		20,561	13,160	3,660	741	3,000
	Sub Total	**20,561**	**13,160**	**3,660**	**741**	**3,000**
ASSETS						
Computer equipment		4,303	2,852	951		500
Equipment		604	453	151		
	Sub Total	**4,907**	**3,305**	**1,102**		**500**
PUBLIC EDUCATION						
Management plan		855	641	214		
Educational programs		19,612	13,938	4,646		1,028
Tours & workshops		2,696	2,022	674		
Advertising		15,452	11,439	3,803	10	200
Communications		24,885	17,014	5,562	109	2,200
MCDA		11,288	8,466	2,822		
	Sub Total	**74,788**	**53,520**	**17,721**	**119**	**3,428**
SOILS						
Hay assistance		42,634	11,101	3,700		27,833
Pasture improvement		18,216	13,148	4,383		685
Saline seed		3,082	2,311	771		
Drill lease		5,355	4,016	398	941	
Alternate land use strategy		3,993	2,995	998		
	Sub Total	**73,280**	**33,571**	**10,250**	**941**	**28,518**
WILDLIFE/FISHERIES						
Conservation corridor signs		1,513	1,135	378		
Reparian partnership		15,731	9,838	3,279		2,614
Proven marsh interpretative		1,009	757	252		
Beaver management		3,027	2,270	457	300	
	Sub Total	**21,280**	**14,000**	**4,366**	**300**	**2,614**
FORESTRY						
Sawmill incentive		3,575	2,681	894		
Hardwood shelterbelt		2,521	1,891	630		
Rejuvinate woodlands		5,549	4,076	1,359		114
	Sub Total	**11,645**	**8,648**	**2,883**		**114**
WATER						
Small dams		39,679	29,759	9,782	138	
Abandoned wells		17,798	10,099	2,416	950	4,333
Runway stabilization		7,169	5,377	1,792		
Surveying		3,532	2,649	883		
Broughton's Creek watershed		6,912	1,434	439	39	5,000
Sandy Lake enhancement		711	344		367	
Offsite watering system		8,486	6,364	669	1,453	
Pasture pipeline		19,106	2,586		16,177	343
Water quality testing		6,596	3,745		2,851	
Warranty		1,449	1,087	362		
	Sub Total	**111,438**	**63,444**	**16,343**	**21,975**	**9,676**
TOTAL EXPENDITURES		**317,899**	**189,648**	**56,325**	**24,076**	**47,850**

(Unaudited)

Appendix H

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2005

Dscp

MID ASSINIBOINE RIVER CONSERVATION DISTRICT
FINANCIAL STATEMENTS

March 31, 2005

CONTENTS

AUDITORS' REPORT

STATEMENT OF OPERATIONS — STATEMENT 1

STATEMENT OF NET ASSETS — STATEMENT 2

CASH FLOW STATEMENT — STATEMENT 3

BALANCE SHEET — STATEMENT 4

NOTES TO THE FINANCIAL STATEMENTS

SCHEDULE OF EXPENSES - SUB-DISTRICT PROGRAMS — SCHEDULE 1

SCHEDULE OF COST SHARING — SCHEDULE 2

SCHEDULE OF PROVINCIAL CONTRIBUTIONS — SCHEDULE 3

Dscp

DUNCAN SABINE COLLYER PARTNERS LLP

CERTIFIED GENERAL ACCOUNTANTS
MANAGEMENT CONSULTANTS

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RAN·ONE member

AUDITORS' REPORT

To the Board of Directors Mid Assiniboine River Conservation District

We have audited the balance sheet of Mid Assiniboine River Conservation District as at March 31, 2005 and the statements of operations, net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2005 and the results of its operations, net assets and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Our audit opinion does not extend to the Schedules of Cost Sharing and Provincial Contributions presented by the District.

Duncan Sabine Collyer Partners LLP

June 27, 2005
Brandon, Manitoba

DUNCAN SABINE COLLYER PARTNERS LLP
CERTIFIED GENERAL ACCOUNTANTS

T. KENT SABINE* BCOM FCGA ALA DEBBIE J. LAUDER* CGA GILBERT G. ALLENSON* FCGA ALA PATRICIA P. CARTER* CGA
BRIAN W. MACKENZIE* CGA RUTH E. WHITE* CGA DWAYNE A. BEATON* CGA IAN H. WOODMAN* CGA JUDY COLLYER FCGA
JAMIE THOMAS BA CGA CYNDI SOLON CGA ROBERT J. DUNCAN* CGA DONALD H. JONES* BCOM CGA HUBERT VAN DER LEE* BCOM CGA
D. SCOTT ANDERSON* FCGA

* *DENOTES PROFESSIONAL CORPORATION*

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

STATEMENT 1

STATEMENT OF OPERATIONS

Year ended March 31, 2005

	2005	2004
Revenue		
Province of Manitoba grant	$ 110,000	$ 90,000
Fisheries Enhancement grant	37,353	-
Municipal levies - note 4	34,876	34,876
TD Friends of the Environment	1,000	-
MWSB	5,000	-
Prairie Farm Rehabilitation Administration grant	-	7,222
Miscellaneous	14,003	5,354
Sustainable Development Innovations Fund	7,849	2,151
Ducks Unlimited	-	2,000
Brandon University	-	2,500
Geomatic services	-	3,400
Covering New Ground	4,000	5,000
	214,081	152,503
Expenses		
Advertising and promotion	3,522	626
Amortization	3,849	3,395
Bad debts	-	195
Board programs	39,397	3,632
Board remuneration	10,733	12,612
Computer software	2,441	2,164
Employee benefits	9,299	7,138
Equipment expenses	16,899	6,238
Freight	64	40
Insurance	1,845	2,224
Interest and bank charges	19	228
Meetings and conventions	4,594	2,909
Office	4,072	4,835
Professional fees	1,545	1,195
Project demonstration	-	9,247
Rental	1,200	1,200
Salaries and wages	56,532	57,720
School education and projects	5,052	403
Staff travel and expenses	5,277	6,821
Sub-district programs - schedule one	20,449	35,844
Telephone	2,388	2,576
	189,177	161,242
Excess (deficient) revenue over expenses for the year	$ 24,904	$ (8,739)

The accompanying notes are an integral part of these financial statements.

Dscp

MID ASSINIBOINE RIVER CONSERVATION DISTRICT
STATEMENT OF NET ASSETS

STATEMENT 2

Year ended March 31, 2005

	Invested in Property , Plant and Equipment	Unrestricted	Total 2005	Total 2004
Balance, beginning of year	$ 17,445	$ (14,005)	$ 3,440	$ 12,179
Excess (deficient) revenue over expenses	(3,849)	28,753	24,904	(8,739)
Capital assets purchased	4,540	(4,540)	-	
Balance, end of year	$ 18,136	$ 10,208	$ 28,344	$ 3,440

The accompanying notes are an integral part of these financial statements.

Dscp

MID ASSINIBOINE RIVER CONSERVATION DISTRICT
CASH FLOW STATEMENT

STATEMENT 3

Year ended March 31, 2005

	2005	2004
Cash provided by (used for)		
Operations:		
Earnings (loss) from operations	$ 24,904	$ (8,739)
Item not requiring an outlay of funds		
Amortization	3,849	3,395
	28,753	(5,344)
Changes in non-cash working capital:		
Accounts receivable	(5,454)	(1,000)
Deferred income	(10,202)	12,849
Prepaid expenses	(1,863)	(412)
GST payable (receivable)	(4,718)	234
Accounts payable	(339)	339
Employee deductions payable	(1,291)	1,291
Deposits received	1,097	-
	(22,770)	13,301
	5,983	7,957
Financing:		
Repayment of long term debt	-	(10,576)
Investments:		
Additions to capital assets	(4,541)	-
Increase (decrease) in cash	1,442	(2,619)
Cash (deficiency), beginning of year	(2,432)	187
Deficiency, end of year	$ (990)	$ (2,432)

The accompanying notes are an integral part of these financial statements.

Dscp

MID ASSINIBOINE RIVER CONSERVATION DISTRICT
BALANCE SHEET

STATEMENT 4

March 31, 2005

	2005	2004
ASSETS		
Current:		
Accounts receivable	$ 6,454	$ 1,001
Goods and services tax recoverable	6,213	1,494
Prepaid expenses	2,275	412
	14,942	2,907
Property, plant and equipment - note 3	18,136	17,444
	$ 33,078	$ 20,351
LIABILITIES AND NET ASSETS		
Current:		
Bank indebtedness	$ 990	$ 2,432
Accounts payable	-	339
Deposits payable	1,097	-
Employee deductions payable	-	1,291
Deferred income	2,647	12,849
	4,734	16,911
Net Assets		
Invested in capital assets	18,136	17,445
Unrestricted	10,208	(14,005)
	28,344	3,440
	$ 33,078	$ 20,351

On behalf of the Board

Wes Williamson Director

Director

The accompanying notes are an integral part of these financial statements.

Dscp

1. DESCRIPTION OF OPERATIONS

Mid Assiniboine River Conservation District was established January 2002 and formalized March 1, 2002 under the authority of *The Conservation Districts Act*. Its purpose is to provide for the conservation, control and prudent use of resources through the establishment of Conservation Districts. The program is a partnership between the Province of Manitoba and participating Municipalities. The District is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Mid Assiniboine River Conservation District follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Property, Plant and Equipment

Capital assets are stated at cost less accumulated amotization. Amortization is provided at various rates designed to amortize the assets over the estimated useful lives. The amortization rates are follows:

Equipment	20%	straight-line method
Computer equipment	4 years	straight-line method
Office furniture and equipment	20%	straight-line method

3. PROPERTY, PLANT AND EQUIPMENT

			2005	2004
	Cost	Accumulated amortization	Net book value	Net book value
Equipment	$ 16,649	$ 4,670	$ 11,979	$ 12,019
Computer equipment	6,476	4,857	1,619	3,238
Office furniture and equipment	5,650	1,112	4,538	2,187
	$ 28,775	$ 10,639	$ 18,136	$ 17,444

Dscp

4. MUNICIPAL LEVIES

	2005	2004
Rural Municipality of Cornwallis	$ 11,470	$ 12,470
Rural Municipality of Elton	12,470	13,470
Rural Municipality of Whitehead	10,936	11,936
	$ 34,876	$ 37,876

5. COMMITMENTS

The District entered into a four year operating lease on a 2003 John Deere Zero Till Drill at a commitment of $5,628.29 every October and April 1.

Future minimum payments are:

2006	$ 5,628
2007	11,256
	$ 16,884

Dscp

MID ASSINIBOINE RIVER CONSERVATION DISTRICT

SCHEDULE ONE

SCHEDULE OF EXPENSES - SUB-DISTRICT PROGRAMS

Year ended March 31, 2005

	2005	2004
LITTLE SOURIS SUB-DISTRICT 98A		
Forage seed	$ -	$ 100
Water development	2,455	4,000
Abandoned wells	2,275	1,131
Off-site watering program	-	2,000
Salinity seed	-	205
Winter cereal program	1,000	650
	5,730	8,086
LITTLE SOURIS SUB-DISTRICT 98B		
Forage seed	-	4,900
Water development	2,910	9,328
Abandoned wells	3,309	3,449
Rotational grazing	-	895
Salinity seed	1,296	2,255
Winter cereal program	2,000	1,000
Mixed species grazing	1,125	-
	10,640	21,827
EPINETTE/WILLOW CREEK SUB-DISTRICT 99A		
Small dams	-	243
Water development	2,000	-
Abandoned wells	1,255	2,614
Rotational grazing	-	639
Salinity seed	324	1,435
Winter cereal program	500	1,000
	4,079	5,931
	$ 20,449	$ 35,844

The accompanying notes are an integral part of these financial statements.

Dscp

MID ASSINIBOINE RIVER CONSERVATION DISTRICT
SCHEDULE OF COST SHARING

SCHEDULE TWO

Year ended March 31, 2005
(Unaudited)

	Total Expenditures	Provincial	District Levies	Other	External
ADMINISTRATION					
Program support planning	9,077	6,808	2,269	-	-
Office operation	11,134	8,350	2,784	-	-
	20,211	15,158	5,053	-	-
ASSETS					
Project support/planning	6,255	4,691	1,564	-	-
Computer software	2,441	1,831	610	-	-
Equipment lease	16,072	3,818	-	12,254	-
Miscellaneous	827	527	176	124	-
Amortization	3,849	2,887	962	-	-
	29,444	13,754	3,312	12,378	-
FORESTRY					
Project support/planning	5,674	4,258	1,416	-	-
PUBLIC EDUCATION					
Project support/planning	7,805	4,354	1,451	-	2,000
Advertising	3,522	2,642	880	-	-
Miscellaneous	9,873	7,405	2,468	-	-
Public demo	5,052	3,039	1,013	-	1,000
	26,252	17,440	5,812	-	3,000
SOILS					
Project support/planning	14,479	9,359	3,120	-	2,000
Forage assistance	3,500	2,625	875	-	-
Saline seed	1,620	-	-	-	1,620
Public demonstrations	1,125	844	281	-	-
	20,724	12,828	4,276	-	3,620
WILDLIFE/FISHERIES					
Project support/planning	3,285	2,464	821	-	-

The accompanying notes are an integral part of these financial statements.

Dscp

MID ASSINIBOINE RIVER CONSERVATION DISTRICT
SCHEDULE OF COST SHARING - **continued**

SCHEDULE TWO

Year ended March 31, 2005
(Unaudited)

	Total Expenditures	Provincial	District		External
			Levies	Other	
WATER					
Project support/planning	14,479	1,221	409	-	12,849
New projects/reconstruction	7,363	5,522	1,841	-	-
Maintenance	6,838	5,128	1,710	-	-
IWMP 98	37,367	10	4	-	37,353
Public demo	2,030	1,522	508	-	-
	68,077	13,403	4,472	-	50,202
OTHER PROJECT SUPPORT					
Project support/planning	4,777	3,582	1,194	-	-
Board remuneration	10,733	8,050	2,684	-	-
	15,510	11,632	3,878	-	-
	$ 189,177	$ 90,937	$ 29,040	$ 12,378	$ 56,822

The accompanying notes are an integral part of these financial statements.

Dscp

MID ASSINIBOINE RIVER CONSERVATION DISTRICT
SCHEDULE OF PROVINCIAL GRANT CONTRIBUTIONS

SCHEDULE THREE

Year ended March 31, 2005
(Unaudited)

Provincial grant, 2004-2005	$ 110,000
Less: 2003-2004 Provincial grant receivable	(10,647)
Less: share of expenses	(90,937)
	$ 8,416

The accompanying notes are an integral part of these financial statements.

Dscp

Appendix I

PEMBINA VALLEY CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2005

Page

1 Auditor's Report
2 - 3 Statement of Financial Position
4 Statement of Financial Position - Donation Fund
5 Statement of Changes in Surplus
6 Statement of Revenue and Expenditures
7 Statement of Cash Flows
8 - 11 Notes to Financial Statements
12 Schedule of Expenditures
13 Schedule of Cost Sharing

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Winkler, Manitoba
R6W 4A7

AUDITOR'S REPORT

TO THE MEMBERS:
PEMBINA VALLEY CONSERVATION DISTRICT

I have audited the statements of financial position of Pembina Valley Conservation District as at March 31, 2005 and the statements of changes in surplus, revenue and expenditures and cash flows for the year then ended. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2005 and the results of its operations and the changes in its surplus and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

CHARTERED ACCOUNTANT INC.

Winkler, Manitoba
June 10, 2005

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2005

ASSETS

	2005	2004
CURRENT		
Cash	$ 157,692	$ 119,600
Cash - Tri-Lakes Group	3,300	-
Accounts receivable	42,109	71,616
Prepaid expenses	7,363	7,340
Inventory	29,498	25,927
	239,962	224,483
PROVINCE OF MANITOBA - STRATEGIC INFRASTRUCTURE RESERVE FUND	-	10,000
UNFUNDED DEFICIT	-	99,032
CAPITAL (notes 2a and 3)	150,501	150,501
	$ 390,463	$ 484,016

APPROVED BY

Donald J Alexander

Director

Director

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2005

LIABILITIES

		2005		2004
CURRENT				
Accounts payable and accrued	$	19,534	$	35,232
Unearned revenue (note 4)		73,524		75,884
		93,058		111,116
STRATEGIC INFRASTRUCTURE RESERVE FUND		15,000		10,000
		108,058		121,116

SURPLUS

SURPLUS (page 5)		282,405		362,900
	$	390,463	$	484,016

Credit facilities (note 8)

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF FINANCIAL POSITION - DONATION FUND

MARCH 31, 2005

ASSETS

	2005	2004
CURRENT		
Cash and investment	**$ 4,875**	$ 5,269

SURPLUS

	2005	2004
SURPLUS (note 6)	**$ 4,875**	$ 5,269

APPROVED BY

____________________________ Director

____________________________ Director

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF CHANGES IN SURPLUS

FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
Surplus, beginning of year	$ 362,900	$ 362,772
Excess of revenue over expenditures	18,537	128
Write-off unfunded deficit	(99,032)	-
SURPLUS, END OF YEAR (note 5)	**$ 282,405**	$ 362,900

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
REVENUE		
Provincial grants		
Water Stewardship	$ 370,000	$ 298,000
Municipal levies		
Rural Municipality of Lorne	26,847	25,891
Rural Municipality of Louise	20,066	19,358
Rural Municipality of Pembina	25,298	24,290
Rural Municipality of Roblin	7,363	7,067
Rural Municipality of Stanley	38,205	9,333
Rural Municipality of Thompson	14,161	13,659
Town levies		
Town of Manitou	694	672
Town of Pilot Mound	459	444
Village of Cartwright	100	94
Village of Crystal City	381	367
Other funding - external	43,378	39,494
- local	17,033	6,100
Manitoba Disaster Assistance	-	17,517
Manitoba Habitat Heritage	-	13,012
Rural water development program - PFRA	5,185	23,500
Tri-Lakes land	-	52,219
Watershed Restoration Action Strategy - water testing	5,500	7,381
Other income	24,140	28,718
Interest income	4,847	3,114
Other (note 9)	24,729	32,559
	628,386	622,789
EXPENDITURES (page 12)	609,849	622,661
EXCESS OF REVENUE OVER EXPENDITURES	$ 18,537	$ 128

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenditures	$ 18,537	$ 128
Changes in non-cash working capital (note 7)	7,855	64,931
Cash flows from (used in) operating activities	26,392	65,059
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in reserve fund	10,000	(5,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term debt	-	(7,715)
Transfer to reserve fund (non-cash expenditure)	5,000	5,000
Cash flows from (used in) financing activities	5,000	(2,715)
NET INCREASE IN CASH	41,392	57,344
Cash at beginning of year	119,600	62,256
CASH AT END OF YEAR	$ 160,992	$ 119,600

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2005

1. PURPOSE OF THE ORGANIZATION

The Pembina Valley Conservation District was incorporated under the laws of the Province of Manitoba in October, 1989. It was established primarily for the purpose of providing programs and education for the conservation of soil and water. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors chosen from the various municipalities included in the area it serves.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the organization.

a) **Capital assets**

Effective with the fiscal year ending March 31, 2001, it is the District's policy to expense capital assets in the year of purchase. Amortization is no longer being provided for in the District's records.

b) **Income taxes**

Pembina Valley Conservation District is a non-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

c) **Inventory**

Inventory is recorded at the lower of cost and net realizable value. Cost is determined on a specific item basis.

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2005

3. CAPITAL ASSETS

	2005		2004	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	$ 53,532	$ -	$ 53,532	$ -
Building	45,853	5,964	45,853	5,964
Field equipment	84,663	61,281	84,663	61,281
Office furniture and equipment	36,031	22,322	36,031	22,322
Surveying equipment	3,658	2,712	3,658	2,712
Vehicles	36,052	17,009	36,052	17,009
	259,789	109,288	259,789	109,288
Cost less accumulated amortization		$ 150,501		$ 150,501

4. UNEARNED REVENUE

	2005	2004
Environmental Youth Club	$ -	$ 3,312
Fisheries Enhancement funds	5,661	5,661
Manitoba Healthy Waters Reserve	-	15,000
Moffatt memorial fund reserve	330	330
Rural Municipality of Lorne levy	13,428	13,424
Rural Municipality of Louise levy	10,035	10,033
Rural Municipality of Pembina levy	12,656	-
Rural Municipality of Roblin levy	3,683	3,682
Rural Municipality of Stanley levy	19,275	19,102
Town of Manitou levy	693	-
Town of Pilot Mound levy	461	459
Tri-Lakes Group	6,821	4,781
Village of Cartwright levy	99	100
Village of Crystal City levy	382	-
	$ 73,524	$ 75,884

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2005

5. SURPLUS

The surplus has two components: a current surplus and a capital asset surplus. The current surplus is equal to current assets minus liabilities and reserve. This money, which totalled $131,904 at March 31, is available to fund ongoing operations. The capital asset surplus is equal to the net book value of capital assets which totalled $150,501 at March 31. This surplus is not readily available to fund current operations.

6. DONATION FUND SURPLUS

Changes to the donation fund surplus during the year were as follows:

		2005		2004
Interest earned	**$**	**190**	$	729
Expenditures - trophies and scholarship		**(584)**		(584)
Increase (decrease) for the year	**$**	**(394)**	$	145

7. CHANGES IN NON-CASH WORKING CAPITAL

		2005		2004
Increase (decrease) in cash from changes in:				
Accounts receivable	**$**	**29,507**	$	4,937
Prepaid expenses		**(23)**		(1,809)
Inventory		**(3,571)**		(3,472)
Accounts payable and accrued		**(15,698)**		27,618
Unearned revenue		**(2,360)**		37,657
	$	**7,855**	$	64,931

8. CREDIT FACILITIES

The District has arranged for a line of credit authorized to a maximum of $30,000. Security consists of a promissory note and an assignment of book debts. Interest is charged at prime plus 1%.

9. OTHER REVENUE

	2005	2004
Agri-Food Canada	**$ 10,691**	$ 8,959
Manitoba Agriculture - Covering new ground	**12,260**	14,600
Manitoba Conservation - Enviro Youth Corporation	**1,778**	-
Manitoba Conservation Special Conservation Fund	**-**	9,000
	$ 24,729	$ 32,559

PEMBINA VALLEY CONSERVATION DISTRICT

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2005

	2005	2004
OPERATING		
Audit and legal	$ 1,275	$ 1,210
Ducks Unlimited program	11,060	11,987
Insurance	2,868	2,894
Interest and bank charges	50	81
Inventory adjustment	4,577	5,300
Office	19,045	15,224
PFRA programs	8,735	47,842
Public education	75,119	60,318
Repairs, maintenance and fuel	27,323	17,453
Soils miscellaneous	12,446	5,203
Soil projects	23,081	19,538
Telephone	2,436	2,513
Tri-Lakes land	-	52,219
Wages and benefits	65,895	108,277
Water management/planning	11,153	-
Water projects	303,506	182,270
Wildlife projects	23,132	55,661
	591,701	587,990
CAPITAL		
Equipment	13,148	11,267
Vehicle	-	18,404
	13,148	29,671
Transfer to Strategic Infrastructure Reserve Fund	5,000	5,000
	$ 609,849	$ 622,661

PEMBINA VALLEY CONSERVATION DISTRICT

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED MARCH 31, 2005

	Total Expenditures	Provincial	District Levies	District Other	External
ADMINISTRATION					
Program support & planning	$ 26,000	$ 19,500	$ 6,500	$ -	$ -
Office operation	23,468	11,932	3,977	6,700	859
	-	-	(4,799)	4,799	-
	49,468	31,432	5,678	11,499	859
PUBLIC EDUCATION	76,689	34,515	11,505	200	30,469
SOILS MISCELLANEOUS	26,761	12,851	4,284	3,466	6,160
WILDLIFE/FISHERIES	26,999	5,723	1,908	-	19,368
WATER					
Multi-purpose projects	320,214	217,547	72,516	18,641	11,510
Well filling	24,390	5,329	1,776	6,000	11,285
Water management	62,283	46,712	15,571	-	-
	406,887	269,588	89,863	24,641	22,795
TOTAL	586,804	354,109	113,238	39,806	79,651
OTHER					
Inventory	8,148	2,131	710	5,307	-
Equipment/building repairs	13,148	9,861	3,287	-	-
Transfer to S.I.R.F.	5,000	3,750	1,250	-	-
	26,296	15,742	5,247	5,307	-
TOTAL EXPENDITURES	$ 613,100	$ 369,851	$ 118,485	$ 45,113	$ 79,651
TOTAL EXPENDITURES (%)	100	60	19	8	13

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE
FOR THE YEAR ENDED MARCH 31, 2005

LESS: 2003-2004 Provincial Grant Receivable	$ (770)
PROVINCIAL GRANT 2004-2005	370,000
	369,230
LESS: 2004-2005 Allocated Grant (spent)	(369,851)
PROVINCIAL GRANT REMAINING/OVERSPENT	$ (621)

2004 MUNICIPAL LEVY - $133,574

SEINE-RAT RIVER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2005

SEINE-RAT RIVER CONSERVATION DISTRICT

INDEX TO THE FINANCIAL STATEMENTS
MARCH 31, 2005

AUDITORS' REPORT

STATEMENT 1 - STATEMENT OF FINANCIAL POSITION

STATEMENT 2 - STATEMENT OF OPERATIONS

NOTES TO THE FINANCIAL STATEMENTS

SCHEDULE 1 - SCHEDULE OF COST SHARING

SCHEDULE 2 - SCHEDULE OF PROVINCIAL GRANT RECEIVABLE

To the Board
Seine-Rat River Conservation District

AUDITORS' REPORT

We have audited the statement of financial position of **Seine-Rat River Conservation District** as at **March 31, 2005** and the statement of operations for the year ended March 31, 2005. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2005 and the results of its operations for the period then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP

July 21, 2005

Chartered Accountants

SEINE-RAT RIVER CONSERVATION DISTRICT

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2005

ASSETS

	2004	2005
Current		
Cash	21,758	41,449
Provincial grant receivable	17,411	7,952
Accounts receivable	5,587	9,541
	44,756	58,942
Capital Assets *(Note 3)*	59,724	54,003
	104,480	112,945

LIABILITIES

	2004	2005
Current		
Accounts payable	956	8,186
Deferral revenue	-	32,910
Current portion of long term debt	6,420	6,867
	7,376	47,963
Long term debt *(Note 4)*	25,927	18,937
	33,303	66,900

NET ASSETS

	2004	2005
Unrestricted Net Assets		
Balance, beginning of year	32,531	71,177
Excess (deficiency) of revenues over expenses	38,646	(25,132)
Balance, end of year	71,177	46,045
	104,480	112,945

On Behalf of the Board:

Director

Director

SEINE-RAT RIVER CONSERVATION DISTRICT

STATEMENT OF OPERATIONS
MARCH 31, 2005

	2004	2005
REVENUES		
Grant		
Province of Manitoba	94,704	140,541
Career Start Program	816	238
Levies		
Rural Municipality La Broquerie	28,300	28,300
Rural Municipality of Ste. Anne	3,667	20,000
City of Steinbach	-	10,000
Other Government programs	84,240	26,666
Land owners	20,000	-
Miscellaneous	3,653	1,406
	235,380	227,151
EXPENSES		
General and Administration		
Amortization	6,637	6,739
Bank charges	1,103	1,817
Insurance	-	1,156
Membership	2,000	3,000
Office	5,329	3,119
Professional fees	1,349	1,076
Rent	3,240	-
Telephone	4,096	2,673
Wages and benefits	28,889	27,892
	52,643	47,472
Program Costs		
Advertising	6,784	8,108
Beaver management	16	-
Board remuneration and expenses	8,023	9,900
Brushing and shelterbelt	10,754	1,507
Crossing management	251	-
Drainage	45,076	61,005
Education	6,620	11,851
Fuel and mileage	424	-
Grassed waterways	28	2,481
Management plans	2,719	2,626
Miscellaneous	262	1,670
Pasture management	2,891	8,489
Riparian program	577	9,140
Staff development	3,311	5,571
Wages and benefits	30,578	44,464
Water management	25,777	37,999
	144,091	204,811
Total Expenses	196,734	252,283
EXCESS (DEFICIENCY) REVENUES OVER EXPENSES	38,646	(25,132)

SEINE-RAT RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2005

---

1. OPERATIONS

The Seine-Rat River Conservation District was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing programs and education for the conservation of soil, water and wildlife. The District receives funding from the Province of Manitoba and the Rural Municipalities of La Broquerie and Ste Anne and is governed by a board of directors from the municipalities involved in the Conservation District. The District is exempt from income taxes.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is provided using the straight line method at a 10% rate intended to amortize the cost of the assets over their estimated useful lives.

REVENUE RECOGNITION

Revenue is recognized when grant and levy funding is received or receivable, and all significant contractual obligations have been satisfied, and collectability is reasonably assured.

3. CAPITAL ASSETS

			2005	
	2004 Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment	16,899	18,777	3,756	15,021
Office equipment	12,822	15,265	2,952	12,313
Truck	30,003	33,337	6,668	26,669
	59,724	67,379	13,376	54,003

4. LONG TERM DEBT

	2005
Term loan bearing interest at 5.250% payable in monthly payments of $535.	25,804
Less: current portion	6,867
	18,937

Principal payments over the next three years are as follows:

2006	6,867
2007	7,219
2008	4,253

5. STATEMENT OF CASH FLOWS

The Statement of Cash Flows has not been presented as the information is readily available from the Statement of Financial Position and Statement of Operations.

6. FINANCIAL INSTRUMENTS

Fair value disclosure

The carrying amount of accounts receivable, accounts payable and current bank loans approximates their fair value due to the short tem maturities of these items.

SEINE-RAT RIVER CONSERVATION DISTRICT

SCHEDULE OF COST SHARING
MARCH 31, 2005

Schedule 1

	Total Expenditures	Provincial	District	External	Other
Administration	47,472	20,197	26,127	-	1,148
Public Education	49,304	35,411	11,803	2,090	-
Soils	21,888	16,213	5,404	-	271
Wildlife	32,251	7,260	2,420	22,571	-
Water	101,368	60,442	7,905	33,021	-
	252,283	139,523	53,659	57,682	1,419
Assets					
Office furniture	1,018	1,018	-	-	-
	253,301	**140,541**	**53,659**	**57,682**	**1,419**

SEINE-RAT RIVER CONSERVATION DISTRICT

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
MARCH 31, 2005

Schedule 2

Provincial Grant received, 2004 – 2005	150,000
Less: Grant receivable	17,411
	132,589
Less: 2004 – 2005 Allocated Grant – *Schedule 1*	140,541
Provincial Grant receivable	7,952

Tiger Hills Conservation District

Auditors' Report and Financial Statements

March 31, 2005

Collins Barrow
Chartered Accountants

401 Century Plaza
One Wesley Avenue
Winnipeg, Manitoba
R3C 4C6

T. 204.942.0221
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Auditors' Report

To the Members
Tiger Hills Conservation District

We have audited the balance sheet of Tiger Hills Conservation District as at March 31, 2005 and the statements of revenue and expenditures and surplus and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2005 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Winnipeg, Canada
May 6, 2005

Collins Barrow

CHARTERED ACCOUNTANTS

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Tiger Hills Conservation District

Financial Statements
March 31, 2005

Contents

Financial Statements

Balance Sheet 4

Statement of Revenue and Expenditures and Surplus 5

Statement of Cash Flows 6

Notes to the Financial Statements 7

Schedules 8 - 10

Tiger Hills Conservation District

Balance Sheet
March 31, 2005

	2005	2004
Assets		
Current assets		
Cash and short term investments	$ 26,558	$ 1,364
Accounts receivable (note 3)	5,471	14,725
	$ 32,029	$ 16,089
Liabilities		
Current liabilities		
Accounts payable and accrued charges	$ 2,285	$ 6,779
Deferred revenue (note 4)	22,099	
	24,384	6,779
Surplus		
Surplus	7,645	9,310
	$ 32,029	$ 16,089

Approved By the Board:

______________, Director

Sigvaldason, Director

Tiger Hills Conservation District

Statement of Revenue and Expenditures and Surplus
For The Year Ended March 31, 2005

	2005	2004
Revenue		
Municipal levies		
Rural Municipality of Argyle	$ 10,702	$ 10,702
Rural Municipality of Glenwood	9,531	9,531
Rural Municipality of South Cypress	7,042	7,042
Rural Municipality of Strathcona	5,821	6,181
Village of Glenboro	743	743
	33,839	34,199
Provincial grants - Schedule 3.	95,228	103,045
Other provincial grants	3,064	
Sales of services	9,694	5,564
Canada Employment		1,752
Donations		125
PFRA	12,000	5,649
Manitoba Water Services Board	5,000	
Covering New Ground	10,500	2,000
Sustainable Development Initiative		9,000
Partner and landowner contributions	5,807	186
Miscellaneous	209	1,374
Interest income	788	553
	176,129	163,447
Expenditures - Schedule 1.		
Program management	15,923	14,328
Public education	10,259	
District programs	151,612	123,893
Equipment purchases		22,899
	177,794	161,120
Excess (deficiency) of revenue over expenditures	(1,665)	2,327
Surplus, beginning of the year	9,310	6,983
Surplus, end of the year	$ 7,645	$ 9,310

Tiger Hills Conservation District

Statement of Cash Flows

For The Year Ended March 31, 2005

	2005	2004
Cash Provided By (Used For)		
Operating activities		
Excess (deficiency) of revenue over expenditures	$(1,665)	$ 2,327
Changes in non-cash working capital		
(Increase) decrease in accounts receivable	9,254	(5,582)
Increase (decrease) in accounts payable	(124)	1,556
Increase in deferred revenue	17,729	
Increase (decrease) in cash and short term investments	25,194	(1,699)
Cash and short term investments, beginning of the year	1,364	3,063
Cash and short term investments, end of the year	$ 26,558	$ 1,364

1. Nature of Activities

The Conservation District operates under the authority of The Conservation Districts Act and Regulations.

The mandate of the Conservation District is to promote the sustainable use and management of the land, water and related resources in the municipalities of Argyle, Glenwood, South Cypress and Strathcona and the Village of Glenboro.

2. Significant Accounting Policies

Inventories

Inventories of materials and supplies are not recorded. Such items are expensed in the year purchased.

Income Taxes

Tiger Hills Conservation District is a non-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

Property, Plant and Equipment

It is the District's policy to expense property, plant and equipment in the year of purchase.

Revenue Recognition

The Conservation District uses the accrual method to recognize revenue.

3. Accounts Receivable

	2005	2004
Province of Manitoba - grant	$	$ 10,402
Goods and services tax		2,923
Sale of services	5,471	1,400
	$ 5,471	$ 14,725

4. Deferred Revenue

	2005	2004
Province of Manitoba - grant	$ 4,370	$
Healthy Waters Project	17,729	
	$ 22,099	$ -

Schedule 1.

Tiger Hills Conservation District

Schedule of Expenditures

For The Year Ended March 31, 2005

	2005	2004
Program Management		
Audit and legal	$ 805	$ 727
Bank charges and interest		224
Board expenses (100%)		20
Board remuneration and expenses	1,814	
Building expense		60
Insurance	2,265	1,869
MCDA fees	3,000	3,633
Manager's expenses	1,685	70
Office operation	1,399	296
Printing, postage and stationery	411	299
Unallocated salaries, wages and benefits	1,380	2,059
Staff training		1,506
Utilities	3,164	3,565
	15,923	14,328
Public Education	10,259	
District Programs - Schedule 2.	151,612	123,893
Equipment purchases		22,899
	$177,794	$161,120

Schedule 2.

Tiger Hills Conservation District

Schedule of District Programs
For The Year Ended March 31, 2005

	Elgin Creek	Pelican/ Rock Lake	Upper Oak	Lower Oak	Central Assiniboine	2005 Total	2004 Total
Abandoned wells	$ 1,967	$ 2,459	$ 2,574	$ 1,703	$ 2,692	**$ 11,395**	$ 4,401
Alternate water/pasture pipeline	1,282	520	716	4,740	507	**7,765**	14,086
Beaver management	471	471	508	501	471	**2,422**	807
Community trees	893	491	516	6,455	471	**8,826**	4,332
Fish habitat	2,961		1,664	1,408	903	**6,936**	
Forage seed	2,180	2,817	1,721	3,963	1,672	**12,353**	13,323
Grassed waterways	3,257	2,719	14,774	1,072	856	**22,678**	7,789
Mole leveling/pasture management	886	1,056	981	1,278	2,058	**6,259**	6,460
Nutrient management	473	472	473	389	471	**2,278**	797
Prairie enhancement	471	636	471	472	1,465	**3,515**	1,495
Public education	3,609	4,633	5,435	4,546	5,136	**23,359**	32,675
Salinity solutions	12,886	516	516	471	516	**14,905**	2,242
Shoreline stabilization	516	471	471	472	472	**2,402**	3,133
Special projects	4,236	5,066	3,832	4,022	2,535	**19,691**	18,154
Well rehabilitation	544	617	701	801	572	**3,235**	3,047
Winter wheat	523	871	833	895	471	**3,593**	11,152
	$ 37,155	$ 23,815	$ 36,186	$ 33,188	$ 21,268	**$151,612**	$123,893

Schedule 3.

Tiger Hills Conservation District

Schedule of Cost Sharing

For The Year Ended March 31, 2005

	Total Expenditures	External	Provincial	Local Levy
Program Management				
General	$ 15,923	$ 2,284	$ 10,230	$ 3,409
Other		9,073	(5,878)	(3,195)
	15,923	11,357	4,352	214
District Programs				
Abandoned wells	11,395	5,807	4,191	1,397
Alternate water/pasture pipelines	7,765	7,398	276	91
Beaver management	2,422		1,817	605
Community tree	8,826		6,619	2,207
Fish habitat	6,936	5,000	1,452	484
Forage seed	12,353		9,265	3,088
Grassed waterways	22,678	10,500	9,134	3,044
Mole leveling/pasture management	6,259		4,694	1,565
Nutrient management	2,278		1,708	570
Prairie enhancement	3,515		2,636	879
Public education	23,359		17,519	5,840
Salinity solutions	14,905	12,000	2,179	726
Shoreline stabilization	2,402		1,801	601
Special projects	19,691		14,768	4,923
Well rehabilitation	3,235		2,426	809
Winter wheat	3,593		2,695	898
	151,612	40,705	83,180	27,727
Public education	10,259	-	7,696	2,563
Total Expenditures	$177,794	$ 52,062	$ 95,228	$ 30,504

Reconciliation of provincial grant receivable (deferred revenue)

Provincial grant receivable, March 31, 2004	$ 10,402
Provincial share of expenses for the year	95,228
Less: Grant received	(110,000)
Provincial grant receivable (deferred revenue), March 31, 2005	($ 4,370)

Appendix L

Turtle Mountain Conservation District
No. 4
Financial Statements
March 31, 2005

Turtle Mountain Conservation District No. 4

Index to the Financial Statements

For the year ended March 31, 2005

Page

Management's Responsibility *1*

Auditors' Report *2*

Financial Statements

Statement 1 - Statement of Financial Position *3*

Statement 2 - Statement of Operations and Surplus – General Board Program *4*

Statement 3 - Statement of Operations and Surplus – Sub-District Program *6*

Statement 4 - Statement of Operations and Deficit – Equipment Program #1 *7*

Statement 5 - Statement of Operations and Surplus – Equipment Program #2 *8*

Statement 6 - Statement of Operations and Surplus – Equipment Reserve *9*

Notes to the Financial Statements *10*

Schedules

Schedule 1 - Schedule of Cost Sharing *13*

Schedule 2 - Schedule of Provincial Grant Receivable *15*

To the Board of Directors of Turtle Mountain Conservation District No. 4:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is appointed by the Board of Directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the management and the Board to discuss their audit findings.

Auditors' Report

To the Board of Directors of Turtle Mountain Conservation District No. 4:

We have audited the statement of financial position of Turtle Mountain Conservation District No. 4 as at March 31, 2005 and the statements of operations and surplus for the General Board Program, Sub-District Program, Equipment Program #1, Equipment Program #2, Equipment Reserve and Schedules of Cost Sharing and Provincial Grant Receivable for the year then ended. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

As explained in Note 2, the statement of operations has not combined the transactions of the Sub-District Programs, Equipment Programs or Reserve Funds with those of the General Board Program. Had a statement of operations included the combined results of all the funds, the deficiency of revenues over expenses would have shown ($7,070) (($926) in 2004).

In our opinion, except that the statement of operations does not combine the results of all funds as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the district as at March 31, 2005 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Virden, Manitoba

June 3, 2005

Meyers Norris Penny LLP
Chartered Accountants

Turtle Mountain Conservation District No. 4

Statement of Financial Position

For the year ended March 31, 2005

	2005	2004
Assets		
Current		
Cash and short-term investments	**308,151**	261,351
Accounts receivable *(Note 3)*	**20,085**	7,730
Inventory	**4,224**	3,234
	332,460	272,315
Property, plant and equipment *(Note 4)*	**192,716**	211,661
	525,176	483,976
Liabilities		
Current		
Accounts payable	**30,701**	7,292
Unearned revenue	**40,578**	15,717
	71,279	23,009
Surplus (deficit)		
General Board Program	**272,119**	267,834
Sub-District Program	**113,792**	114,170
Equipment Program #1	**(5,640)**	(4,915)
Equipment Program #2	**41,626**	51,878
Equipment Reserve	**32,000**	32,000
	453,897	460,967
	525,176	483,976

Approved on behalf of the Board

Director ______________________ **Director**

The accompanying notes are an integral part of these financial statements

Statement 2

Turtle Mountain Conservation District No. 4

General Board Program

Statement of Operations and Surplus

For the year ended March 31, 2005

	2005	*2004*
Revenue		
Province of Manitoba	**188,027**	201,140
Municipal Levies	**68,396**	64,610
Land Rental	**3,860**	6,270
Direct Charges	**607**	642
Soils Committee	**6,129**	4,038
Recreation Committee/Promo Items/Other	**1,214**	444
Hometown Green Team	**6,852**	2,247
Interest	**5,588**	5,170
Ducks Unlimited	**5,779**	9,400
Canadian Nature Federation	**2,000**	2,000
Pembina River Basin Advisory Board	**-**	2,024
Municipal Grants-Important Bird Area	**1,880**	2,335
Manitoba Hydro	**300**	13,600
Greencover Canada	**-**	2,888
Agricultural Sustainability Initiative	**2,067**	4,602
Manitoba Forage Council	**1,300**	1,600
Sustainable Development Innov. Fund-Unused Road Allowances	**15,500**	-
Sustainable Development Innov. Fund-Peace Garden Native Plants	**120**	-
Fisheries & Oceans-Stewardship in Action	**7,500**	-
Canada Creek Bank Stabilization	**6,968**	-
Transfer from Equipment Program #2	**2,571**	4,465
	326,658	327,475

Continued on next page

The accompanying notes are an integral part of these financial statements

Statement 2

Turtle Mountain Conservation District No. 4

General Board Program

Statement of Operations and Surplus

For the year ended March 31, 2005

Continued from previous page

	2005	2004
EXPENSES:		
Administrative - General	30,419	33,368
- Local	341	476
Public Relations	27	55
Board & Committee Remuneration	4,878	19,822
Amortization - Office Equipment	6,609	6,230
- Program Support	1,860	1,828
- Equipment	4,702	5,919
- Warehouse	6,081	2,027
Direct Expenses	607	642
Professional Education and Development	1,897	3,762
Special Programs:		
Forage Seed Assistance	36,117	32,067
Public Education	71,445	93,244
Important Bird Area	3,880	4,335
Shelterbelt Program	59,903	47,924
Habitat Preservation	21,484	15,975
Land Management	4,216	4,215
Interpretive Area Management	9,668	10,623
Management Plan	-	7,480
Agricultural Sustainability Initiative	2,067	4,602
Greencover Canada Program	-	2,888
Salinity Barrier Program	4,779	4,298
Waterfowl Habitat Lease Program	1,020	2,841
Portable Windbreak	1,353	1,732
Reassessment of Unused Road Allowances	20,068	-
Killarney Lake Fisheries Resource	7,110	-
Pembina River Basin Advisory Board	-	2,024
Canada Creek Bank Stabilization	12,519	-
Warehouse Expenses	6,977	4,705
Transfer to Equipment #2	2,346	3,810
	322,373	316,892
EXCESS OF REVENUE OVER EXPENSES	4,285	10,583
SURPLUS - BEGINNING OF YEAR	267,834	257,251
SURPLUS - END OF YEAR	272,119	267,834

The accompanying notes are an integral part of these financial statements

Statement 3

Turtle Mountain Conservation District No. 4

Sub-District Program

Statement of Operations and Surplus

For the year ended March 31, 2005

	Wakopa	Upper Pembina	West Aurthur	Waskada Creek	Medora Creek	Chain Lakes	Elgin Creek Wh. Lake	**Total 2005**	Total 2004
Revenue									
Municipal Levies	6,944	7,006	-	6,590	4,256	4,665	6,983	**36,444**	31,367
Province of Manitoba	20,781	21,157	863	21,026	12,632	15,373	18,636	**110,468**	98,288
Program Revenue	757	1,225	563	775	1,078	1,054	3,106	**8,558**	11,246
Land Rental Revenue	300	-	-	-	-	1,170	-	**1,470**	1,862
PFRA-RWDP	792	797	-	189	-	515	1,160	**3,453**	3,794
	29,574	30,185	1,426	28,580	17,966	22,777	29,885	**160,393**	146,557
Expenses									
Maintenance	10,836	8,005	1,706	8,298	8,688	2,864	11,313	**51,710**	38,170
New Projects/Reconstruction	121	112	-	3,550	1,571	6,886	65	**12,305**	53,639
Well Sealing	4,313	3,766	-	1,773	-	1,605	3,517	**14,974**	13,257
Road Allowance	-	-	-	-	-	-	-	**-**	8,652
Remote Watering	2,007	3,665	-	1,433	-	1,006	-	**8,111**	10,825
Remuneration	1,362	1,859	-	3,754	1,035	3,293	3,079	**14,382**	-
Water Sampling	-	-	-	70	20	61	308	**459**	-
Management Plan	5,952	6,008	-	5,650	3,650	4,000	5,987	**31,247**	-
Conservation Agreements	1,905	1,923	-	1,808	1,168	1,280	1,916	**10,000**	-
Project Support	1,640	1,656	-	1,557	1,006	1,101	1,650	**8,610**	1,842
Other	1,422	3,238	7	1,106	782	1,140	1,278	**8,973**	22,096
	29,558	30,232	1,713	28,999	17,920	23,236	29,113	**160,771**	148,481
Excess (deficiency) of revenue over expenses	16	(47)	(287)	(419)	46	(459)	772	**(378)**	(1,924)
Surplus - Beginning of year	15,107	27,329	4,403	794	34,150	8,649	23,738	**114,170**	116,094
Surplus - End of year	15,123	27,282	4,116	375	34,196	8,190	24,510	**113,792**	114,170

The accompanying notes are an integral part of these financial statements

Turtle Mountain Conservation District No. 4

Equipment Program #1

Statement of Operations and Deficit

For the year ended March 31, 2005

	2005	2004
Revenue		
Equipment revenue	19,963	18,983
Expenses		
Repairs and maintenance	9,375	14,443
Amortization	8,694	8,317
Licence and insurance	2,619	3,809
	20,688	26,569
Deficiency of revenue over expenses	(725)	(7,586)
Surplus (deficit) - Beginning of year	(4,915)	2,671
Deficit - End of year	(5,640)	(4,915)

The accompanying notes are an integral part of these financial statements

Statement 5

Turtle Mountain Conservation District No. 4

Equipment Program #2

Statement of Operations and Surplus

For the year ended March 31, 2005

	2005	*2004*
Revenue		
Equipment revenue	**23,386**	20,765
Gain on disposal of property, plant and equipment	**-**	2,500
Transfer in from General Board Program	**2,346**	3,810
	25,732	27,075
Expenses		
Insurance and licences	**1,840**	1,832
Repairs and maintenance	**29,227**	18,967
Small tools	**2,346**	3,810
Transfer to General Board Program	**2,571**	4,465
	35,984	29,074
Deficiency of revenue over expenses	**(10,252)**	(1,999)
Surplus - Beginning of year	**51,878**	53,877
Surplus - End of year	**41,626**	51,878

The accompanying notes are an integral part of these financial statements

Turtle Mountain Conservation District No. 4

Equipment Reserve

Statement of Operations and Surplus

For the year ended March 31, 2005

	2005	*2004*
Revenue	-	-
Expenses	-	-
Excess of revenue over expenses	-	-
Surplus - beginning of year	**32,000**	32,000
Surplus - end of year	**32,000**	32,000

The accompanying notes are an integral part of these financial statements

1. Incorporation and operations

The Turtle Mountain Conservation District No. 4 was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing resource programs and planning for sustainable soil and water management. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes under the *Income Tax Act*.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles except that a summary statement combining the operations of all funds has not been provided, and recommended terminology by the Canadian Institute of Chartered Accountants Handbook has not all been adopted. Significant accounting policies include the following:

Revenue recognition

The Turtle Mountain Conservation District No. 4 follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Cash and cash equivalents

Cash and cash equivalents include cash and term deposits with maturities of three months or less. Term deposits earn interest at annual rates of 2.1% (1.5% in 2004).

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Donated assets are recorded at estimated fair market value. Proceeds of disposals, less carrying values of these assets, are reported in the statements of operations as gains or losses on disposal. Amortization is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

	Method	Rate
Building	straight-line	5 %
Field equipment - machinery	straight-line	10 %
Field equipment - vehicles	straight-line	15 %
Office equipment	straight-line	15 %
Program support equipment	straight-line	10 %

Equipment grants

Claims for assistance under various equipment grant programs are reflected as revenue in the period in which eligible expenses are incurred.

2. Significant accounting policies (Continued from previous page)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

Long-lived assets

Long-lived assets consist of property, plant and equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in earnings for the year.

Insured values are used to measure fair value of long-lived assets.

3. Accounts receivable

	2005	*2004*
Trade	**3,302**	1,369
Goods and Services Tax receivable	**2,862**	924
Province of Manitoba (Schedule 2)	**651**	2,158
Manitoba Hydro	**7,613**	-
Other Programs	**5,657**	3,279
	20,085	7,730

4. Property, plant and equipment

	Cost	*Accumulated amortization*	*2005 Net book value*	*2004 Net book value*
Building	**121,616**	**8,108**	**113,508**	119,589
Field equipment - machinery	**168,261**	**156,354**	**11,907**	13,787
Field equipment - vehicles	**91,470**	**58,743**	**32,727**	41,673
Office equipment	**56,103**	**32,853**	**23,250**	23,429
Program support equipment	**20,758**	**9,434**	**11,324**	13,183
	458,208	**265,492**	**192,716**	211,661

5. Financial instruments

The organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying amount of term deposits, accounts receivable, accounts payable and unearned revenue approximates their fair value due to the short-term maturities of these items.

6. Lease commitments

The organization occupies premises on a month to month basis. Minimum quarterly payments are $1,838.

7. Commitments

The Company has entered into an agreement with estimated minimum annual payments as follows:

2005	890
2006	429

8. Income taxes

The organization is registered as a charitable organization under the *Income Tax Act* (the *"Act"*) and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Turtle Mountain Conservation District No. 4 must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

Schedule 1

Turtle Mountain Conservation District No. 4

Schedule of Cost Sharing

For the year ended March 31, 2005

	Total Expenditures	*Provincial*	*District Levies*	*Other*	*External*
Administration					
General	32,135	24,101	8,034	-	-
Remuneration	1,124	843	281		
Other	368	-	-	368	-
	33,627	24,944	8,315	368	-
Assets					
Office equipment	6,429	2,508	836	-	3,085
Vehicles / machinery	2,570	-	-	2,570	-
Program support equipment	2,347	1,760	587	-	-
Inventory	1,880	1,410	470	-	-
Warehouse - expenses	6,977	5,233	1,744	-	-
Amortization	26,231	-	-	26,231	-
	46,434	10,911	3,637	28,801	3,085
Public Education					
Education	73,342	53,883	17,961	1,214	284
Remuneration	2,712	2,034	678	-	-
Interpretive Area Management	9,668	6,355	2,118	1,075	120
Important Bird Area	3,880	-	-	-	3,880
ASI - Covering New Ground	2,067	-	-	-	2,067
	91,669	62,272	20,757	2,289	6,351
Soils					
Forage Assistance	40,896	27,088	9,029	-	4,779
Shelterbelt Program	59,902	38,605	12,868	6,129	2,300
Land Management	4,216	3,162	1,054	-	-
Remuneration	779	584	195	-	-
Portable Windbreaks	1,353	40	13	-	1,300
Canada Creek Bank Stabilization	12,520	4,163	1,388	6,969	-
Direct Expenses	607	-	-	607	-
	120,273	73,642	24,547	13,705	8,379
Wildlife / Fisheries					
Habitat Preservation	21,484	14,024	4,675	2,785	-
Re-Assessment of Unused Road Allowances	20,068	-	-	-	20,068
Killarney Lake Fisheries Resource	7,111	2,022	674	-	4,415
Remuneration	263	197	66	-	-
Waterfowl Habitat Lease Program	1,020	15	5	-	1,000
	49,946	16,258	5,420	2,785	25,483

The accompanying notes are an integral part of these financial statements

Schedule 1

Turtle Mountain Conservation District No. 4

Schedule of Cost Sharing

For the year ended March 31, 2005

	Total Expenditures	*Provincial*	*District Levies*	*Other*	*External*
Water Program					
Maintenance	51,709	33,011	11,003	7,695	-
New Projects / Reconstruction	12,305	8,973	2,991	341	-
Well sealing	14,974	7,147	2,382	1,992	3,453
Remote watering	8,111	6,083	2,028	-	-
Remuneration	14,383	10,787	3,596	-	-
Conservation Agreements	10,000	7,500	2,500	-	-
Management Plan	31,247	23,435	7,812	-	-
Other	18,040	13,530	4,510	-	-
	160,769	110,466	36,822	10,028	3,453
Balance - End of year	502,718	298,493	99,498	57,976	46,751

The accompanying notes are an integral part of these financial statements

Schedule 2

Turtle Mountain Conservation District No. 4

Schedule of Provincial Grant Receivable

For the year ended March 31, 2005

Provincial Grant, 2004-2005	300,000
Less, 2003 - 2004 Provincial Grant Receivable	2,158
	297,842
Less, 2004 - 2005 Allocated Grant (Schedule 1)	298,493
Provincial Grant Receivable, 2004-2005	651

The accompanying notes are an integral part of these financial statements

Appendix M

AUDITOR'S REPORT

To the Board of Directors of the Turtle River Watershed Conservation District:

We have audited the statement of financial position of Turtle River Watershed Conservation District #2 as at March 31st, 2005 and the other statements, being statement "1" to "6" inclusive which covers the year then ended. These financial statements are the responsibility of the board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Watershed as at March 31st, 2005 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

ZAPLITNY & ZAMRYKUT,
Chartered Accountants

DAUPHIN, Manitoba
May 19th, 2005

STATEMENT "1"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF FINANCIAL POSITION
As at March 31st, 2005 and 2004

	General Board Fund	Flood Protection Reserve Fund	Emergency Reserve Fund	SD45 Levy Reserve Fund	SD46 Levy Reserve Fund	Equipment Reserve Fund	Infra-structure Reserve	2005 Total	2004 Total
Current Assets -									
Cash on Hand and in Bank	$ 137,810							137,810	167,058
Short Term Investments		3,449						3,449	3,449
Accounts Receivable-Note 4	40,533							40,533	12,908
Prov of Man Receivable-Note 3	7,646							7,646	3,303
Prepaid Expenses	1,698							1,698	631
Inventory	136,487							136,487	118,492
Total Current Assets	324,174	3,449						327,623	305,841
Capital Assets-Note 5	70,590							70,590	54,208
Total	$ 394,764	3,449						398,213	360,049
Current Liabilities -									
Accounts Payable-Note 6	$ 2,580							2,580	1,849
Labour Crew Surcharge	10,625							10,625	14,298
Prepaid Levy and Grant									3,896
Prepaid Grant	26,783							26,783	13,862
Due To(From) Other Funds	132,471	(8,086)	(28,571)	(10,393)	(8,057)	(61,764)	(15,600)		
Total Current Liabilities	172,459	(8,086)	(28,571)	(10,393)	(8,057)	(61,764)	(15,600)	39,988	33,905
Fund Balances -									
Invested in Capital Assets	70,590							70,590	54,208
Internally Restricted		11,535	28,571	10,393	8,057	61,764	15,600	135,920	144,315
Unrestricted	151,715							151,715	127,621
	222,305	11,535	28,571	10,393	8,057	61,764	15,600	358,225	326,144
Total	$ 394,764	3,449	NIL	NIL	NIL	NIL	NIL	398,213	360,049

TRWCD Chairperson

(The accompanying notes are an integral part of these financial statements)

STATEMENT "2"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF CHANGES IN NET ASSETS
As at March 31st, 2005 and 2004

	General Board Fund	Flood Protection Reserve Fund	Emergency Reserve Fund	SD45 Levy Reserve Fund	SD46 Levy Reserve Fund	Land Development Reserve Fund	Equipment Reserve Fund	Infra-structure Reserve	2005 Total	2004 Total
Net Assets, Beginning of Year	$ 181,829	12,068	26,342	5,475	8,057	324	82,449	9,600	326,144	266,096
Excess of Revenue Over/(Under) Expenditures	16,299						15,066		31,365	56,441
Transfer (To)/From Other Funds	23,461	(533)	2,229	4,918		(324)	(35,751)	6,000		
Inventory Adjustment	716								716	3,607
Net Assets, End of Year	$ 222,305	11,535	28,571	10,393	8,057	NIL	61,764	15,600	358,225	326,144

(The accompanying notes are an integral part of these financial statements)

STATEMENT "3"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2
GENERAL BOARD FUND

STATEMENT OF OPERATIONS
For the Years Ended March 31st, 2005 and 2004

	2005	2004
Revenue -		
Municipal Levies & Grants	$ 136,513	148,401
Province of Manitoba Allocated Grant-Statement "6"	404,343	394,107
Other Grants	17,305	12,097
Custom Work	7,016	5,085
Land Owner Revenue	420	795
Interest Income	1,256	1,136
Other Income	1,357	1,855
Gain (Loss) on Disposal of Asset	6,850	
	575,060	563,476
Expenditures -		
Board Remuneration	20,264	24,908
Administration	22,704	17,262
Wages and Benefits	84,328	83,355
Staff Expenses	8,566	10,037
Management Plan	5,351	
Office Rent	7,236	7,417
Annual Dinner Expense		2,346
MCDA Dues	3,000	3,000
Educational Activities	19,867	8,759
Custom Work	7,016	5,085
Garage Alarm/Taxes	1,899	
Forage Assistance	4,640	9,653
Land Management Services	262	1,660
Drain Cleanouts	115,665	104,601
Brushing and Spraying	45,155	48,864
General Maintenance	57,815	26,548
Off Site Watering	2,797	
Project Monitoring/Evaluation	8,403	
DNR Surveying	3,335	10,127
Crossing Repairs	31,356	14,905
Crossing Replacements	21,727	60,966
Program Evaluation (Summer Student)	8,156	5,476
Consultant Fees	22,402	19,605
Labour Crew Costs	20,004	21,668
Shed Expenses	1,755	1,883
Bank Stabilization	7,086	2,052
Erosion Control		3,340
Plastic Mulch Program	626	1,506
Abandoned Well Sealings	2,147	2,008
Legal Surveys		4,693
S.R.F.P.S.	857	857
Amortization Expense	24,342	22,593
	558,761	525,174
Excess Revenues Over/(Under) Expenditures	$ 16,299	38,302

(The accompanying notes are an integral part of these financial statements)

STATEMENT "4"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2
EQUIPMENT RESERVE FUND

STATEMENT OF OPERATIONS
For the Years Ended March 31st, 2005 and 2004

		2005	2004
Revenues -			
Truck	$	23,640	23,882
Quad		320	
Tractor		6,175	8,625
Labour Crew Tools and Equipment		2,754	2,780
Trailer		888	1,013
		33,777	36,300
Expenditures -			
Truck		16,031	15,447
Quad		693	
Tractor		1,224	1,596
Labour Crew Tools and Equipment		441	1,094
Trailer		322	24
		18,711	18,161
Excess of Revenue Over/(Under) Expenditures	$	15,066	18,139

(The accompanying notes are an integral part of these financial statements)

STATEMENT "5"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF CASH FLOWS

For the Years Ended March 31st, 2005 and 2004

		2005	2004
Cash Provided by (Used in) Operating Activities -			
Excess of Revenue Over/(Under) Expenditure	$	31,365	56,441
Non-Cash Items included in Expenditures:			
Amortization		24,342	22,593
Gain on Disposal of Asset		(6,850)	
Inventory Adjustment		716	3,607
		49,573	82,641
Changes in Non-Cash Working Capital Components -			
Accounts Receivable		(27,625)	11,310
Province of Manitoba Receivable		(4,343)	5,893
Prepaid Expenses		(1,067)	5,439
Inventory		(17,995)	(20,246)
Accounts Payable		731	(2,216)
Labour Crew Surcharge		(3,673)	7,372
Prepaid Levy and Grant		9,025	2,625
		(44,947)	10,177
Investing -			
Purchase of Capital Assets - Net		(33,874)	(31,604)
Increase (Decrease) in Cash		(29,248)	61,214
Cash, Beginning of Year		167,058	105,844
Cash, End of Year	$	137,810	167,058

(The accompanying notes are an integral part of these financial statements)

STATEMENT "6"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
For the Year Ended March 31st, 2005

	Total	% Shareable Prov/District or External	Provincial Share	District & Other Share
Program Management -				
Office Operation	$ 31,098	75/25	23,324	7,774
Administrative Salaries	35,541	75/25	26,656	8,885
	66,639			
Public Education -				
Demo Days/Tours	1,547	75/25	1,160	387
Advertising/Signage	5,602	75/25	4,202	1,400
Educational Activities	18,090	28/72	5,236	12,854
TRWCD Management Plan	5,351	75/25	4,013	1,338
MCDA Dues	3,000	75/25	2,250	750
Board Remuneration	20,263	75/25	15,197	5,066
TRWCD Website	4,459	75/25	3,344	1,115
	58312			
Wildlife/Fisheries -				
Summer Students	8,156	34/66	2,829	5,327
Bank Stabilization	7,086	75/25	5,315	1,771
	15242			
Soils -				
Forage Seed Assistance	4,640	75/25	3,480	1,160
Offsite Watering	2,797	48/52	1,347	1,450
Shelterbelt Program	626	75/25	470	156
	8063			
Water -				
Project Monitoring & Evaluation	8,403	75/25	6,302	2,101
Abandoned Well Sealing	2,611	75/25	1,958	653
Drain Maintenance	70,455	75/25	52,841	17,614
Drain Cleanouts	140,951	75/25	105,714	35,237
Brushing	26,087	75/25	19,565	6,522
Spraying	28,943	75/25	21,707	7,236
SRFPS	857	0/100		857
Eng, Surveys & Consulting	16,900	75/25	12,675	4,225
	295,207			
Crossings -				
Repair	31,356	75/25	23,517	7,839
Replacement	21,727	75/25	16,295	5,432
Eng, Surveys & Consulting	9,100	75/25	6,825	2,275
Infrastructure Reserve	6,000	75/25	4,500	1,500
TRWCD Compound	21,759	75/25	16,319	5,440
	89942			
Other -				
Inventory Sales ← GAIN	(55,303)	75/25	(41,477)	(13,826)
Inventory Purchases	80,045	75/25	60,034	20,011
Consignment Sale Revenue ← GAIN	(6,647)	75/25	(4,985)	(1,662)
Computers (2)	2,833	75/25	2,125	708
Ground Drive Spreader (Seeder)	609	75/25	457	152
Ford Truck	27,458	0/100		27,458
Yamaha Quad	8,293	0/100		8,293
Office Garage	1,031	75/25	773	258
Canvas Tent for Plough	500	75/25	375	125
Custom Work	7,016	0/100		7,016
Amortization	24,342	0/100		24,342
←	$ 623,582		404,343	219,239

152,127 (- 61950)

= 90,177

(The accompanying notes are an integral part of these financial statements)

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

NOTES TO FINANCIAL STATEMENTS
March 31st 2005

1. Incorporation & Commencement of Operations -

Turtle River Watershed Conversation District #2 was incorporated under the laws of the Province of Manitoba and commenced operations in 1976.

Organization -

Turtle River Watershed Conversation District #2 operates under the authority of the Conservation Districts Act. The objective for the District under the Act are to provide for the conservation control and prudent use of resources.

2. Significant Accounting Policies -

The financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.

Investments -

Investments are recorded at the lower of cost and net realizable value.

Capital Assets -

Capital Assets are recorded at cost and amortization is provided for in the accounts calculated on the Straight-Line basis in accordance with their useful life on the following basis:

Office Equipment	15%
Computer Equipment	20%
Storage Yard Fence	5%
Tools, Equipment, & Tent	20%
Building	4%
Truck & Quad	25%
Tractor	20%
Leasehold Improvements	Amortized over remaining term of lease of 36 months

Income Taxes -

Turtle River Conservation District is a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act.

Revenue Recognition -

The financial statements have been prepared following the deferral method of accounting for contributions. Restricted contributions are recognized in the year to which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Measurement Uncertainty -

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Inventory -

Inventory is valued at the lower of cost or market on a first in first out basis.

3. Accounts Receivable - Province of Manitoba -

		2005	2004
Amount at Beginning of Year	$	3,303	9,196
Add - Allocated to Watershed Programs - General Board		404,343	394,107
		407,646	403,303
Less - Grant Received		400,000	400,000
Balance, End of Year	$	7,646	3,303

4. Accounts Receivable -

		2005	2004
GST Recoverable	$	11,294	4,525
Rural Municipalities and Villages		24,017	6,787
Staff - GIC's		2,040	1,280
Other		3,182	316
	$	40,533	12,908

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

NOTES TO FINANCIAL STATEMENTS
March 31st, 2005

5. Capital Assets -

		Cost	Accumulated Amortization	2005 Book Value	2004 Book Value
Office Equipment & Computers	$	50,599	41,592	9,007	9,275
Fence		4,863	4,863	NIL	81
Trucks		83,303	62,137	21,166	1,965
Tools		24,855	23,801	1,054	1,411
Building		28,213	17,445	10,768	11,896
Plastic Mulcher		1,469	1,469	NIL	NIL
Tractor, Drill, Sprayer		55,590	54,583	1,007	6,500
Trailers		5,312	5,312	NIL	NIL
Leasehold Improvements		7,143	7,143	NIL	NIL
L.C. Water Tank		452	260	192	260
Pipeline Plough		13,905	5,330	8,575	11,356
Office Garage		12,572	576	11,996	11,464
Quad		8,292	1,900	6,392	
Tent		500	67	433	
	$	297,068	226,478	70,590	54,208

6. Accounts Payable -

		2005	2004
Trade Payables	$	2,580	1,579
O/S Land Issues			270
	$	2,580	1,849

7. Land Acquisitions -

In accordance with district policy, land acquisitions are expensed in the year purchased. For information purposes, inventories of land parcels owned by the district are as follows:

Description	Purchase Date		Purchase Price
N 1/2 of 31-23-17WPM	Dec 19/86	$	21,500
SE 1/4 of 27-20-14WPM	Mar 14/88		7,500
SW 1/4 of 19-22-17WPM	June 28/89		20,000
NE 1/4 22-20-14WPM	April 8/91		8,800
SW 1/4 24-23-18WPM	Aug 10/90		22,500
S 1/2 of 22-22-14WPM	May 2/89		13,000
NE 1/4 of 1-22-14WPM	Mar 8/91		10,000
SW 1/4 of 8-24-17WPM	Apr 27/92		14,500
PT of SE of 20-24-17WPM	Sept 8/94		4,132
NW of 30-23-17WPM	1996		17,500
SE 1/4 of 25-23-18WPM	May 1/96		17,500
NE 1/4 25-23-18WPM	1997		25,000
NW 1/4 25-25-18WPM	1997		25,000
PT of N1/2 24-23-18WPM	1998		10,700

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

FINANCIAL STATEMENTS

For the year ended March 31, 2005

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

TABLE OF CONTENTS

For the year ended March 31, 2005

Page

AUDITORS' REPORT, dated May 18, 2005 3

FINANCIAL STATEMENTS

Statement of Financial Position 4

Statement of Revenue, Expenditure and Surplus 5

Statement of Cash Flows 6

Notes to the Financial Statements 7 - 10

Schedule of Provincial Contributions 11

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AUDITORS' REPORT

To the Board of Directors:
Upper Assiniboine River Conservation District No. 8
Miniota, Manitoba

We have audited the Statement of Financial Position of **Upper Assiniboine River Conservation District No. 8** as at **March 31, 2005** and the statements of revenue, expenditure and surplus and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at **March 31, 2005** and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Provincial Contributions presented by the District.

Sensus
PARTNERSHIP OF
CHARTERED ACCOUNTANTS

Russell, Manitoba
May 18, 2005

Partnership of Chartered Accountants
Understanding your Business

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

STATEMENT OF FINANCIAL POSITION

For the year ended March 31, 2005

	2005	2004
ASSETS		
CURRENT		
Cash	$ 110,426	$ 81,422
Accounts receivable (Note 2)	5,443	17,991
GST receivable	6,648	3,940
Provincial grant receivable (Note 12)	2,290	2,891
Inventories (Note 2 and 3)	1,146	1,567
Prepaid expenses	10,679	5,297
	136,632	113,108
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 4)	188,557	121,239
OTHER (Note 5)	4,183	3,675
	$ 329,372	$ 238,022
LIABILITIES		
CURRENT		
Accounts payable (Note 6)	$ 50,924	$ 43,286
SURPLUS		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT (Note 8)	188,557	121,239
SURPLUS	89,891	73,497
	278,448	194,736
	$ 329,372	$ 238,022

APPROVED ON BEHALF OF THE BOARD:

Leonard Sitko Director

Director

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

For the year ended March 31, 2005

	2005	2004
REVENUE		
Grant - Province of Manitoba	$ 249,399	$ 247,422
Municipal grants (Note 9)	83,429	83,238
Landowner	8,664	38,430
External funding	28,381	35,694
Truck revenue	9,878	9,208
Interest	4,976	5,719
Municipal start-up levy	6,220	
	390,947	419,711
EXPENDITURE		
Truck expenses	4,555	2,394
Office operation	34,575	42,220
Public education	73,647	97,223
Soil programs	41,484	60,804
Water programs	129,900	186,967
Wildlife	6,162	5,776
	290,323	395,384
REVENUE OVER EXPENDITURE	100,624	24,327
OTHER ITEM		
Investment in property, plant and equipment	(84,230)	(29,030)
NET REVENUE OVER EXPENDITURE FOR YEAR	16,394	(4,703)
SURPLUS, BEGINNING OF YEAR	73,497	78,200
SURPLUS, END OF YEAR	$ 89,891	$ 73,497

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

STATEMENT OF CASH FLOWS

For the year ended March 31, 2005

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	$ 57,364	$ 120,614
Cash paid to suppliers and employees	(371,876)	(467,851)
Interest received	4,976	5,719
Grants received	339,048	330,660
	29,512	(10,858)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(84,230)	(29,030)
Change in other long-term assets	(508)	(844)
	(84,738)	(29,874)
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in other surplus accounts	84,230	29,030
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29,004	(11,702)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	81,422	93,124
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 110,426	$ 81,422

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2005

1. ENTITY DEFINITION

The Upper Assiniboine River Conservation District No. 8 (the "organization") was formed in 1996 to aid in the conservation of natural resources in the Municipalities of Archie, Birtle, Ellice, Hamiota, Miniota, Rossburn, Shoal Lake, Wallace and Woodworth and adjacent Towns and Villages.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following are considered to be the more significant policies:

Inventories

Inventory is valued at the lower of cost and net realizable value determined by the first-in, first-out method.

Property, Plant and Equipment

Property, plant and equipment are recorded at cost. The organization is no longer recording amortization for property, plant and equipment.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Accounts receivable

Accounts receivable have been determined to be all collectible; therefore, no allowance for doubtful accounts has been made.

3. INVENTORIES

	2005	2004
Project supplies	**$ 1,146**	$ 1,567

4. PROPERTY, PLANT AND EQUIPMENT

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Office equipment	$ 45,066	1,757		$ 46,823
Automotive equipment	55,143	38,281	28,595	64,829
Trailer equipment	2,580			2,580
Surveying equipment	16,643			16,643
Water testing equipment	3,636			3,636
Pipeline plow	5,981			5,981
Watering demonstration system	14,657	6,192		20,849
Aerial mapping		38,000		38,000
	143,706	84,230	28,595	199,341
ACCUMULATED AMORTIZATION				
Office equipment	8,393			8,393
Automotive equipment	11,683		11,683	
Surveying equipment	2,073			2,073
Water testing equipment	318			318
	22,467		11,683	10,784
NET BOOK VALUE	$ 121,239			$ 188,557

5. OTHER ASSETS

	2005	2004
Vanguard Credit Union Ltd. surplus shares	$ 1,054	$ 893
Twin Valley Coop patronage equity	3,129	2,782
	$ 4,183	$ 3,675

6. ACCOUNTS PAYABLE

	2005	2004
Trade	$ 50,924	$ 43,286

7. ECONOMIC DEPENDENCE

Upper Assiniboine River Conservation District receives at least 60% of its operating revenue from the Province of Manitoba and is economically dependent on it.

8. INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment expenditures are accounted for on the balance sheet with an offsetting entry to the Investment in Property, Plant and Equipment account.

9. MUNICIPAL GRANTS

Grants received from local governments involved in the conservation district are the following:

	2005	2004
R.M. of Archie	$ **5,663**	$ 5,664
R.M. of Birtle	**11,594**	11,608
R.M. of Ellice	**5,465**	5,479
R.M. of Hamiota	**9,767**	9,763
R.M. of Miniota	**9,401**	9,405
R.M. of Rossburn	**6,555**	6,465
R.M. of Shoal Lake	**7,145**	7,149
R.M. of Wallace	**12,523**	12,440
R.M. of Woodworth	**12,988**	12,951
Town of Birtle	**610**	614
Town of Rossburn	**305**	311
Town of Shoal Lake	**932**	913
Village of Hamiota	**481**	476
	$ **83,429**	$ 83,238

10. REGISTERED CHARITY

Upper Assiniboine River Conservation District No. 8 is a registered charity able to issue charitable donation receipts. There is no change to the GST method of reporting and the rebate allowed still falls under municipal government at 100%.

11. FINANCIAL INSTRUMENTS

Credit risk management

The organization is exposed to credit risk on the accounts receivable from its customers. In order to reduce it credit risk, the organization has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits.

The organization does not have a significant exposure to any individual customer or counterpart. Its customers are mainly in the farming business.

12. PROVINCIAL GRANT RECEIVABLE

	2005	2004
BALANCE, BEGINNING OF YEAR	$ 2,891	$ 5,469
Add: Provincial allocation of expenses for year	249,399	247,422
	252,290	252,891
Less: Grant received	250,000	250,000
BALANCE, END OF YEAR	$ 2,290	$ 2,891

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO.8
SCHEDULE OF PROVINCIAL CONTRIBUTIONS
For the year ended March 31, 2005

PROJECTS & PROGRAMS	Total Expenditures	Provincial	Levies	Landowner	External
PROGRAM MANAGEMENT					
Program support/planning	12,525	9,320	3,107	65	33
Office operation	22,050	16,538	5,512		
	34,575	25,858	8,619	65	33
PUBLIC EDUCATION					
Advertising/meetings/courses	36,769	27,577	9,192		
Conservation in the Classroom	5,561	732	244		4,585
General education	28,317	19,874	6,625		1,818
MCDA dues	3,000	2,250	750		
	73,647	50,433	16,811		6,403
SOIL PROGRAMS					
Winter cereals	2,416	1,812	604		
Forage seed	7,712	5,784	1,928		
General soils	27,334	16,900	5,633	600	4,201
Rotational grazing - fencing	4,022	3,016	1,006		
	41,484	27,512	9,171	600	4,201
WATER MANAGEMENT					
Abandoned wells	21,230	8,927	2,975	678	8,650
Livestock crossing	14,315	10,223	3,408	684	
Grassed runways/gully	22,746	17,059	5,687		
Small dams/shale traps/other	40,080	28,082	9,361	2,637	
Alternative watering system	22,381	14,161	4,720		3,500
Maintenance	9,148	6,861	2,287		
	129,900	85,313	28,438	3,999	12,150
WILDLIFE					
Salinity seed	6,162	426	142		5,594
BOARD TRUCK					
Board truck expense	4,555				
SUBTOTAL	**290,323**	**189,542**	**63,181**	**4,664**	**28,381**
ASSETS PURCHASED					
Property, plant and equipment	84,230	60,173	20,057	4,000	
Inventory adjustment	-421	-316	-105		
	83,809	59,857	19,952	4,000	
TOTAL EXPENDITURE	**374,132**	**249,399**	**83,133**	**8,664**	**28,381**

West Souris River Conservation District
Financial Statements
March 31, 2005

West Souris River Conservation District
Contents
For the year ended March 31, 2005

Page

Management's Responsibility *1*

Auditors' Report *2*

Financial Statements

Statement of Financial Position *3*

Statement of Operations *4*

Notes to the Financial Statements *6*

Schedules

Schedule 1 - Schedule of Expenses - Sub-District Programs *12*

Schedule 2 - Schedule of Cost Sharing *13*

Schedule 3 - Schedule of Provincial Grant Receivable *14*

To the Board of Directors of West Souris River Conservation District:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management. The Board is also responsible for recommending the appointment of the organization's external auditors.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

July 11, 2005

Manager

Ina Cook
Financial Administrator

To the Board of Directors of West Souris River Conservation District:

We have audited the statement of financial position of West Souris River Conservation District as at March 31, 2005 and the statement of operations and related schedules for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The statement of operations has not combined the transactions of the Bursary fund or other restricted funds with those of the Revenue fund. Had the statement of operations included the changes in net assets restricted for bursary purposes and the changes in other internally restricted net assets, the excess (deficiency) of revenues over expenses would have been ($18,953) ($19,626 excess in 2004).

In our opinion, except that the statement of operations does not include the changes in internally restricted net assets or changes in net assets restricted for bursary purposes as explained in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2005 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Virden, Manitoba

July 11, 2005

Meyers Norris Penny

Chartered Accountants

West Souris River Conservation District

Statement of Financial Position

As at March 31, 2005

	2004	*2005*
Assets		
Current		
Cash	49,057	**43,795**
Accounts receivable *(Note 3)*	24,856	**42,542**
Inventory	2,444	**2,636**
	76,357	**88,973**
Cash - restricted	23,104	**23,108**
Property, plant and equipment *(Note 4)*	235,155	**204,143**
Patronage equity	1,466	**1,554**
	336,082	**317,778**
Liabilities		
Current		
Bank indebtedness *(Note 5)*	14,594	**14,331**
Accounts payable and accrued liabilities	23,544	**48,245**
Unearned revenue	10,663	**5,104**
Deferred revenue	38,137	**31,962**
Current portion of long-term debt	12,057	**12,904**
	98,995	**112,546**
Long-term debt *(Note 6)*	99,033	**86,131**
	198,028	**198,677**
Subsequent events *(Note 7)*		
Net Assets		
Unrestricted net assets *(Note 8)*	82,230	**63,273**
Internally restricted net assets *(Note 9)*	32,720	**32,720**
Net assets restricted for bursary purposes *(Note 10)*	23,104	**23,108**
	138,054	**119,101**
	336,082	**317,778**

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

West Souris River Conservation District
Statement of Operations
For the year ended March 31, 2005

	2004	*2005*
Revenues		
Grants *(Note 11)*	276,295	**270,826**
Municipal Levies *(Note 12)*	67,000	**62,397**
Programs	40,992	**22,457**
Employment projects	-	**2,450**
Equipment rental	2,350	**1,600**
Interest and patronage allocations	687	**436**
Other	10,095	**10,677**
Inventory sales revenue	-	**352**
	397,419	**371,195**
General and administration expenses		
Bad debts	-	**1,777**
Cost of goods sold	-	**300**
Freight	-	**204**
Interest and bank charges	10	**76**
Interest on long-term debt	8,255	**7,960**
Memberships	3,000	**3,000**
Office	15,031	**15,499**
Professional fees	834	**1,050**
Property taxes	289	**479**
Small tools	277	**-**
Telephone	5,196	**5,677**
Utilities	1,725	**1,360**
Wages and benefits	3,900	**3,600**
	38,517	**40,982**
Program delivery costs		
Advertising	6,428	**23,465**
Amortization	31,272	**31,298**
Board remuneration	7,283	**3,703**
Project support/planning	10,164	**11,802**
Public education - general	31,269	**22,485**
Public education - other	2,579	**1,101**
Seminars and conferences	5,194	**6,980**
Sub-district programs *(Schedule 1)*	245,093	**248,336**
	339,282	**349,170**
	377,799	**390,152**
Earnings (loss) from operations	19,620	**(18,957)**

Continued on next page

The accompanying notes are an integral part of these financial statements

West Souris River Conservation District

Statement of Operations

For the year ended March 31, 2005

	2004	2005
Earnings (loss) from operations *(Continued from previous page)*	19,620	**(18,957)**
Other income		
Gain on disposal of property, plant and equipment	500	-
Excess (deficiency) of revenues over expenses	20,120	**(18,957)**
Unrestricted net assets, beginning of year	62,110	**82,230**
Unrestricted net assets, end of year	82,230	**63,273**

The accompanying notes are an integral part of these financial statements

1. Operations

The West Souris Conservation District was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing programs and education for the conservation of soil, water and wildlife. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes under the *Income Tax Act*.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles except that a summary statement combining the operations of the Revenue fund, the Bursary fund and the restricted funds has not been prepared and recommended terminology by the Canadian Institute of Chartered Accountants Handbook has not been adopted. Significant accounting policies include the following:

Revenue recognition

West Souris River Conservation District follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

Property, plant and equipment

Property, plant and equipment are recorded at cost. Donated equipment is recorded at estimated fair market value. Proceeds of disposals, less carrying values of these assets, are reported in the statement of operations as gains or losses on disposal. Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Buildings	straight-line	5 %
Equipment - self-propelled	straight-line	15 %
Equipment - pull-type	straight-line	10 %
Equipment - office	straight-line	10 %

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

2. Significant accounting policies *(Continued from previous page)*

Long-lived assets

Long-lived assets consist of property, plant and equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Organization performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in earnings (loss) for the year.

Insured values are used to measure fair value of long-lived assets.

3. Accounts receivable

	2004	***2005***
Trade accounts	19,291	**39,225**
Province of Manitoba (Schedule 3)	2,309	**716**
Other	3,256	**2,601**
	24,856	**42,542**

4. Property, plant and equipment

	2004 Net book value	***Cost***	***Accumulated amortization***	***2005 Net book value***
Buildings	97,262	**129,338**	**38,543**	**90,795**
Equipment - self-propelled	25,927	**88,613**	**68,357**	**20,256**
Equipment - pull-type	52,415	**95,200**	**52,305**	**42,895**
Equipment - office	59,551	**96,430**	**46,233**	**50,197**
	235,155	**409,581**	**205,438**	**204,143**

5. Bank indebtedness

Bank indebtedness includes an operating loan amounting to $14,331 ($14,594 in 2004), bearing interest at 4.25% (6.0% in 2004).

6. Long-term debt

	2004	***2005***
Note payable in quarterly instalments of $2,007 including interest at 6.0% (6.0% in 2004), secured by a truck having a net book value of $18,925 ($24,086 in 2004), due June 30, 2007	23,931	**17,218**
Debenture payable in annual instalments of $11,987 including interest at 7.625% (7.625% in 2004), secured by land and building having a net book value of $86,972 ($93,184 in 2004), due December 1, 2014	87,159	**81,817**
	111,090	**99,035**
Less: current portion	12,057	**12,904**
	99,033	**86,131**

Principal repayments are estimated as follows:

2006	12,904
2007	13,782
2008	9,129
2009	7,167
2010	7,714

7. Subsequent event

Subsequent to the date of the financial statements, the Organization donated equipment with a book value of $32,608 to Manitoba Fisheries Branch.

8. Unrestricted net assets

The unrestricted net assets are the total assets and liabilities of the Revenue Fund. These net assets include working capital, equipment and respective long-term debt.

	2004	***2005***
Operating deficit	(55,824)	**(55,828)**
Equity in property, plant and equipment	138,054	**119,101**
	82,230	**63,273**

9. Internally restricted net assets

Internally restricted net assets are derived from the donation of equipment to the conservation district from a previous organization.

	2004	*2005*
Board equity	32,720	**32,720**
	32,720	**32,720**

10. Net assets restricted for bursary purposes

	2004	*2005*
Balance - Beginning of year	23,598	**23,104**
Add: Interest	1,006	**1,004**
	24,604	**24,108**
Less: Scholarships paid	(1,500)	**(1,000)**
	23,104	**23,108**

The principal portion of the bursary is restricted, only interest earned on the principal amount may be paid out as bursaries.

11. Grants

	2004	*2005*
Manitoba Agricultural Sustainability Program	9,625	**6,707**
Ducks Unlimited	6,750	**4,110**
Fisheries Enhancement Initiative	6,485	**15,010**
Province of Manitoba - Manitoba Water Stewardship Branch	198,622	**198,407**
Province of Manitoba - Water Services Board	901	**5,000**
Rural Water Development Program	7,601	**30,277**
Sustainable Communities Initiatives Fund	46,311	**11,315**
	276,295	**270,826**

12. Municipal levies

	2004	*2005*
Rural Municipality of Albert	10,211	**10,211**
Rural Municipality of Cameron	15,812	**3,069**
Rural Municipality of Edward	11,001	**11,001**
Rural Municipality of Pipestone	16,549	**16,549**
Rural Municipality of Sifton	10,814	**10,814**
Rural Municipality of Wallace	2,613	**2,874**
Rural Municipality of Arthur	-	**7,879**
	67,000	**62,397**

13. Commitments

The Conservation District has entered into various lease agreements with estimated minimum annual payments as follows:

2006	2,711
2007	2,711
2008	2,292
2009	1,146

14. Financial instruments

The Conservation District, as part of its operations carries a number of financial instruments. It is management's opinion that the Conservation District, is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Fair value disclosure

The carrying amount of term deposits, accounts receivable, accounts payable and accrued liabilities, unearned revenue and deferred revenue approximates their fair market value due to the short-term maturities of these items.

The fair value of the organization's fixed rate long-term debt is also approximated by its carrying value, as there have been no significant changes in lending rates or other conditions.

15. Statement of cash flow

The statement of cash flow has not been prepared as it would not provide additional meaningful information.

16. Income taxes

The organization is registered as a charitable organization under the *Income Tax Act* (the "*Act*") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the *Act*, the West Souris River Conservation District must meet certain requirements under the *Act*. In the opinion of management, these requirements have been met.

17. Comparative figures

Certain of the current year figures are not comparable with the 2004 comparative figures as the District has adopted the Province of Manitoba's guidelines to classify salaries and costs related to the projects as the District deems appropriate.

West Souris Conservation District

Schedule 1 - Schedule of Expenses - Subdistrict Programs

For the year ended March 31, 2005

	Pipestone/ Plum Creek	Stoney Creek	Jackson Creek	Gainsborough/ S. Antler	N. Pipestone/ Sifton	Central Souris River	**Total 2005**	Total 2004
Soil Projects	8,928	8,852	7,888	9,005	7,888	15,559	**58,120**	46,582
Water projects	40,960	23,815	21,247	50,949	20,453	24,388	**181,812**	159,828
Wildlife projects	5,994	333	333	333	333	583	**7,909**	26,272
Grazing projects	-	-	-	-	-	495	**495**	9,653
Education projects	-	-	-	-	-	-	-	2,758
	55,882	33,000	29,468	60,287	28,674	41,025	**248,336**	245,093

The accompanying notes are an integral part of these financial statements

West Souris River Conservation District

Schedule 2 - Schedule of Cost Sharing

For the year ended March 31, 2005

	Total Expenditures	External	Provincial	Local
Program Management				
General	29,995	10,889	14,088	5,018
Water Programs	181,811	60,287	91,143	30,381
Wildlife	7,911	250	5,746	1,915
Soils	58,614	10,567	36,035	12,012
Public Education	72,564	24,337	36,170	12,057
Total	350,895	106,330	183,182	61,383
Assets				
Office equipment/furnishings	286	-	214	72
Project support equipment	1,314	-	985	329
Office building	11,988	-	8,991	2,997
Vehicle	6,713	-	5,035	1,678
	371,196	106,330	198,407	66,459

West Souris River Conservation District

Schedule 3 - Schedule of Provincial Grant Receivable

For the year ended March 31, 2005

Provincial Grant, 2003-2004	200,000
Less: 2003-2004 Provincial Grant Receivable	2,309
	197,691
Less: 2004-2005 Allocated Grant (Schedule 2)	198,407
Provincial Grant Receivable, 2004-2005	716

Appendix P

Whitemud Watershed Conservation District

Financial Statements

March 31, 2005

Contents

For the year ended March 31, 2005

Page

Auditors' Report 1

Financial Statements

Balance Sheet 2

Statement of Operations and Surplus - Sub-District Program 3

Statement of Operations and Surplus - General Board Program 6

Statement of Operations and Surplus - Equipment Program 8

Statement of Operations and Surplus - Inventory Program 9

Statement of Operations and Surplus - Rosedale Farm Program 10

Statement of Operations and Surplus - PR/PTH Crossing Program 11

Statement of Operations and Surplus - CMRM Ltd. in Trust 12

Notes to the Financial Statements 13

Schedule of Cost-Sharing 15

Auditors' Repo

To the Board Members of Whitemud Watershed Conservation District:

We have audited the balance sheet of Whitemud Watershed Conservation District as at March 31, 2005 and the statements of operatior and surplus for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessir the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2005 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP

Chartered Accountan

Brandon, Manitoba

May 6, 2005

Whitemud Watershed Conservation District

Balance Sheet

As at March 31, 2005

	2004	*2005*
Assets		
Current		
Cash	623,332	**750,247**
Accounts receivable	806,502	**839,736**
Inventory	49,554	**50,353**
Prepaid expenses and deposits	15,100	**47,028**
	1,494,488	**1,687,364**
Capital assets *(Note 3)*	157,560	**145,843**
	1,652,048	**1,833,207**
Liabilities		
Current		
Accounts payable and accruals	65,462	**100,013**
Unearned outside funding	12,521	**15,782**
Unearned municipal levies	32,372	**57,329**
	110,355	**173,124**
Watershed Programs Surplus		
Sub-district program	103,219	**112,044**
General board program	25,494	**40,604**
Equipment program	168,711	**168,718**
Inventory program	18,075	**19,773**
Rosedale Farm program	-	**6,241**
PR/PTH crossing reserve	768,442	**772,777**
CMRM Ltd. in trust	32,331	**32,920**
Emergency reserve	30,000	**30,000**
Sick leave reserve	21,528	**20,755**
Infrastructure program	372,548	**452,106**
U-Count reserve	1,345	**1,345**
Conservation Agreement reserve fund	-	**2,800**
	1,541,693	**1,660,083**
	1,652,048	**1,833,207**

Approved on behalf of the Board

Director Danny **Director**

he accompanying notes are an integral part of these financial statements

1. Incorporation and operations

Whitemud Watershed Conservation District (the "Corporation" / "Company") was incorporated under the <Other please specify> on . The Company [describe nature of operations; describe customers; describe locations]

2. Significant accounting policies

The financial statements have been prepared [in accordance with Canadian generally accepted accounting principles] [except as explained below] [and include] [using] the following significant accounting policies:

3. Capital assets

<Please enter customized narrative here - shift enter for new paragraph>

	2004 Net book value	*Cost*	*Accumulated amortization*	*2005 Net book value*
Land	1,835	**1,835**	**-**	**1,835**
Buildings	12,849	**34,282**	**22,410**	**11,872**
Equipment	142,876	**433,625**	**301,489**	**132,136**
Fences	-	**5,339**	**5,339**	**-**
	157,560	**475,081**	**329,238**	**145,843**

Property, plant and equipment includes assets under capital lease with a gross cost of [$] (- [$]), and accumulated amortization of [$] (- [$]).

Whitemud Watershed Conservation District

Statement of Operations and Surplus - Sub-District Program

For the year ended March 31, 2005

	Willowbend Creek #35	Westbourne Drain #36	Squirrel Creek #37	Pine Creek #38
Revenue				
Municipal levies	20,790	22,203	15,352	18,238
Province of Manitoba	40,121	40,233	32,230	26,821
Other grants	-	1,014	-	-
Surveys in kind	-	863	1,466	-
	60,911	64,313	49,048	45,059
Expenditures				
Channel maintenance				
Miscellaneous	657	-	-	2,349
Silt removal	6,425	7,818	7,662	1,600
Vegetation control	31,234	28,778	17,598	15,192
Conservation Agreement Fund	350	350	350	350
Crossings				
Repairs	1,645	5,195	3,378	3,412
Replacements	6,391	6,495	9,573	4,635
Infrastructure reserve	-	8,000	3,750	10,417
Superintendent's salary and expenses	7,144	5,358	4,763	3,572
Surveys	-	1,150	1,955	-
	53,846	63,144	49,029	41,527
Excess (deficiency) of revenue over expenditures	7,065	1,169	19	3,532
Surplus, beginning of year	5,213	7,723	19,903	19,269
Surplus, end of year	12,278	8,892	19,922	22,801

The accompanying notes are an integral part of these financial statements

Whitemud Watershed Conservation District

Statement of Operations and Surplus - Sub-District Program

For the year ended March 31, 2005

	2004	***2005***
Revenue		
Municipal levies	194,088	**194,206**
Province of Manitoba	452,650	**458,715**
Grants	1,212	**3,408**
Surveys in kind	5,521	**4,571**
	653,471	**660,900**
Expenditures		
Channel maintenance - miscellaneous	17,085	**9,623**
Channel maintenance - grassed waterways	11,588	**16,306**
Channel maintenance - silt removal	108,072	**75,735**
Channel maintenance - vegetation control	211,771	**232,455**
Conservation Agreement Fund	-	**2,800**
Crossings - repairs	56,373	**83,087**
Crossings - replacements	122,895	**86,135**
Goods and Services Tax	10,115	**-**
Infrastructure reserve	43,559	**79,559**
Superintendent's salary and expenses	57,149	**59,532**
Surveys	7,361	**6,095**
Water storage	8,484	**748**
	654,452	**652,075**
Excess (deficiency) of revenue over expenditures	(981)	**8,825**
Surplus, beginning of year	104,200	**103,219**
Surplus, end of year	103,219	**112,044**

The accompanying notes are an integral part of these financial statements

Whitemud Watershed Conservation District

Statement of Operations and Surplus - General Board Program

For the year ended March 31, 2005

	2004	*2005*
Revenue		
Province of Manitoba	249,759	**229,133**
Municipal levies	40,000	**40,000**
Co-op equity	344	**433**
Forage program - landowner share	34,138	**19,589**
Gain on disposal of equipment	-	**268**
Individual contributions	3,788	**3,268**
Interest	10,940	**21,134**
Special project funding	80,897	**33,723**
Surveys in kind	1,840	**1,524**
Transfer from Rosedale Farm program	11,420	**-**
Transfer from equipment program	16,384	**6,759**
	449,510	**355,831**
Administration expenditures		
Amortization	5,345	**5,058**
Goods and Services Tax	2,322	**-**
Insurance	2,077	**1,438**
Manager's expenses	13,581	**15,385**
Manager's salary	52,296	**56,599**
Office supplies	14,458	**17,149**
Professional fees	2,100	**2,000**
Rent	20,072	**20,072**
Secretary - treasurer and secretary salaries	41,614	**45,491**
	153,865	**163,192**
Subtotal	295,645	**192,639**

Continued on next page

The accompanying notes are an integral part of these financial statements

Whitemud Watershed Conservation District

Statement of Operations and Surplus - General Board Program

For the year ended March 31, 2005

	2004	*2005*
Subtotal *(Continued from previous page)*	295,645	**192,639**
Specific program expenditures		
Board members remuneration and expenses	46,152	**47,381**
Forage crops	45,517	**26,119**
Public education	30,477	**23,575**
Riparian	20,857	**13,600**
Shelterbelt weed control	13,615	**9,142**
Shelterbelts	14,122	**15,092**
Small tools	1,985	**1,854**
Soils demonstration and pipeline plow	1,981	**2,749**
Soils tech salary and expenses	14,652	**-**
Special project funding	64,790	**21,739**
Summer students	7,231	**2,384**
Water retention study	11,322	**900**
Wildlands	21,761	**12,994**
	294,462	**177,529**
	448,327	**340,721**
Excess of revenue over expenditures	1,183	**15,110**
Surplus, beginning of year	24,311	**25,494**
Surplus, end of year	25,494	**40,604**

The accompanying notes are an integral part of these financial statements

Whitemud Watershed Conservation District
Statement of Operations and Surplus - Equipment Program
For the year ended March 31, 2005

	2004	*2005*
Revenue		
Rentals	75,949	**74,447**
Gain on disposal of equipment	2,118	-
	78,067	**74,447**
Expenditures		
Amortization	28,313	**29,949**
Fuel and oil	17,550	**15,334**
Goods and Services Tax	880	-
Insurance and licences	5,861	**5,833**
Repairs and maintenance	14,190	**14,796**
Salaries	3,777	**1,769**
Transfer to general board program	16,384	**6,759**
	86,955	**74,440**
Excess (deficiency) of revenue over expenditures	(8,888)	**7**
Surplus, beginning of year	177,599	**168,711**
Surplus, end of year	168,711	**168,718**

The accompanying notes are an integral part of these financial statements

Whitemud Watershed Conservation District

Statement of Operations and Surplus - Inventory Program

For the year ended March 31, 2005

	2004	*2005*
Revenue		
Sales	21,676	**26,812**
Cost of sales		
Inventory, beginning of year	54,424	**49,554**
Purchases	13,176	**23,156**
	67,600	**72,710**
Inventory, end of year	49,554	**50,353**
	18,046	**22,357**
Gross profit	3,630	**4,455**
Expenditures		
Amortization	216	**244**
Goods and Services Tax	44	**-**
Insurance	412	**417**
Salaries	3,684	**1,273**
Yard maintenance	2,116	**823**
	6,472	**2,757**
Excess (deficiency) of revenue over expenditures	(2,842)	**1,698**
Surplus, beginning of year	20,917	**18,075**
Surplus, end of year	18,075	**19,773**

The accompanying notes are an integral part of these financial statements

Whitemud Watershed Conservation District

Statement of Operations and Surplus - Rosedale Farm Program

For the year ended March 31, 2005

	2004	*2005*
Revenue		
Forage sales	23,821	**21,844**
Crop share	-	**3,176**
Patronage	203	-
	24,024	**25,020**
Expenditures		
Fertilizer and rotovating	5,626	**7,716**
Harvesting	6,861	**9,896**
Miscellaneous	117	**1,167**
Transfer to general board program	11,420	-
	24,024	**18,779**
Excess of revenue over expenditures	-	**6,241**
Surplus, beginning of year	-	-
Surplus, end of year	-	**6,241**

The accompanying notes are an integral part of these financial statements

Whitemud Watershed Conservation District

Statement of Operations and Surplus - PR/PTH Crossing Program

For the year ended March 31, 2005

	2004	***2005***
Revenue		
Intergovernmental Affairs grant	180,000	-
Interest	15,544	**17,376**
	195,544	**17,376**
Expenditures		
Sub-district program # 39	-	**2,753**
Sub-district program # 42	19,031	-
Sub-district program # 43	8,674	**10,288**
	27,705	**13,041**
Excess of revenue over expenditures	167,839	**4,335**
Surplus, beginning of year	600,603	**768,442**
Surplus, end of year	768,442	**772,777**

The accompanying notes are an integral part of these financial statements

Whitemud Watershed Conservation District

Statement of Operations and Surplus - CMRM Ltd. in Trust

For the year ended March 31, 2005

	2004	*2005*
Revenue		
Special project funding	631	**589**
Surplus, beginning of year	31,700	**32,331**
Surplus, end of year	32,331	**32,920**

The accompanying notes are an integral part of these financial statements

1. Operations

Whitemud Watershed Conservation District was established by an Order-in-Council of the Province of Manitoba on March 22, 1972. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method.

Capital assets

Capital assets are initially recorded at cost. Amortization is provided using the following method and rates intended to amortize the cost of assets over their estimated useful lives. The annual rates are as follows:

	Method	Rate
Buildings	straight-line	5 %
Equipment	straight-line	15 %
Fences	straight-line	5 %

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Company performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets carrying amount. Impairment is measured as the amount by which the assets carrying value exceeds its fair value. Any impairment is included in operations for the year.

Cash flow statement

A cash flow statement has not been presented with these financial statements, as the required information is readily apparent from the other financial statements, or adequately disclosed in the notes to the financial statements.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in operations in the periods in which they become known.

3. Capital assets

	2004 Net book value	*Cost*	*Accumulated amortization*	*2005 Net book value*
Land	1,835	**1,835**	-	**1,835**
Buildings	12,848	**34,282**	**22,410**	**11,872**
Equipment	142,877	**433,625**	**301,489**	**132,136**
Fences	-	**5,339**	**5,339**	-
	157,560	**475,081**	**329,238**	**145,843**

4. Lease commitment

The District occupies leased premises subject to a minimum annual rental of $20,072 until 2007.

5. Sick leave reserve

The reserve has been established to recognize the accrual of sick leave of the employees. The employees accrue sick leave at the rate of one and one-quarter days per month employed. At March 31, 2005, the aggregate amount of possible claims was approximately $73,300 ($87,600 - 2004).

6. Financial instruments

The Organization as part of its operations carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Fair value disclosure

The carrying value of current financial assets and liabilities approximates their fair values, due to the short-term nature of these instruments.

Whitemud Watershed Conservation District No. 1

Schedule of Cost-Sharing

For the Year Ended March 31, 2005

	Total Expenditures	Provincial	District Levies	District Other	External
ADMINISTRATION					
Program Support/Planning	34,065	25,549	8,516	-	-
Office Operation	45,717	31,518	-	14,199	-
	79,782	57,067	8,516	14,199	-
ASSETS					
Infrastructure Reserve Account (75/25)	48,000	36,000	12,000	-	-
Infrastructure Reserve Account (0/100)	31,558	-	31,558	-	-
Office Equipment	19,617	14,713	-	4,904	-
Conservation Reserve Fund	2,800	-	2,800	-	-
	101,975	50,713	46,358	4,904	-
PUBLIC EDUCATION					
Public Education	92,265	69,199	23,066	-	-
	92,265	69,199	23,066	-	-
SOILS					
Forage Assistance	26,119	6,530	-	19,589	-
Shelterbelt/Gully/Riparian/Soils Demo	32,197	23,649	-	7,883	665
Riparian	13,600	3,000	-	1,000	9,600
	71,916	33,179	-	28,472	10,265
WILDLIFE/FISHERIES					
Wildlife Preservation/Treeplanting/Demo	7,361	5,521	-	1,840	-
Conservation Corridors	5,632	4,224	-	1,408	-
Fisheries Enhancement Initiative	21,073	-	-	-	21,073
	34,066	9,745	-	3,248	21,073
WATER					
Maintenance	407,380	304,283	101,428	-	1,669
New Projects/Reconstruction	25	19	6	-	-
Surface Water Irigation Initiative	900	675	225	-	-
Drainage Management Project	17,716	13,287	4,429	-	-
Surveys	6,095	-	1,524		4,571
	432,116	318,264	107,612	-	6,240
CROSSINGS					
Repairs	101,808	75,998	25,333	-	477
Replacements	98,479	73,681	24,560	-	238
PR/PTH Replacements	13,041	-	-	-	13,041
	213,328	149,679	49,893	-	13,756
OTHER					
Big Grass Marsh Management Plan	-	-	-	-	-
Tax Adj & Int	-	-	-	-	-
CMRM Ltd.	-	-	-	-	-
Flood Expenses	-	-	-	-	-
	-	-	-	-	-
TOTAL	**1,025,448**	**687,846**	**235,445**	**50,823**	**51,334**
		67%	23%	5%	5%

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE

LESS, 2003-2004 Prov Grant Receivable	**15,533**
PROVINCIAL GRANT, 2004-2005	**700,000**
	684,467
LESS, 2004-2005 Allocated Grant	**687,846**
PROVINCIAL GRANT OVERSPENT	**(3,379)**

2004 MUNICIPAL LEVY - $234,204